AIRGATE PCS INC /DE/
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January 14, 2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

AIRGATE PCS, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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AIRGATE PCS, INC.

233 Peachtree Street, N.E.
Harris Tower, Suite 1700
Atlanta, Georgia 30303

January 14, 2004

Dear AirGate Shareowner:

We are furnishing the accompanying proxy statement to you in connection with a proposed financial restructuring of our company. If completed, the financial restructuring would:

- decrease the required payments under our current debt by $255 million after 2004;
- improve our capital structure and
- substantially reduce the financial risk in our business plan in 2005 and beyond and enable us to implement the next phases of our smart-growth strategy.

We plan to complete the restructuring through a recapitalization plan which includes:

- offers to exchange all of our existing 13.5% senior subordinated discount notes for newly-issued shares of our common stock and newly-issued 9 3/8% senior subordinated secured notes;
- a consent solicitation to remove substantially all of the restrictive covenants in, and release the collateral securing our obligations under, the indenture governing our old notes;
- an amendment to our credit facility; and
- a 1 for 5 reverse stock split of the outstanding shares of our capital stock.

To complete the recapitalization plan, our shareowners must vote to:

- approve the issuance of approximately 33 million shares of our common stock in the restructuring and
- amend and restate our restated certificate of incorporation to implement the 1 for 5 reverse stock split of our outstanding capital stock.

If the recapitalization plan is not successful, we may accomplish the restructuring by filing a prepackaged plan of reorganization on substantially the same terms as the recapitalization plan, but under the supervision of a bankruptcy court.

We are also asking you to accept the prepackaged plan of reorganization and approve an amendment and restatement of one of our incentive plans to increase the shares reserved and available for issuance, add additional forms of stock-based compensation to be granted thereunder and make other plan changes and approve certain grants following completion of the recapitalization plan.

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Our board of directors has unanimously approved each of these matters. Your votes on these matters are very important. We urge you to review carefully the proxy statement and the other documents we refer you to in the proxy statement for a detailed description of the proposed restructuring and the effect it will have on our existing shareowners. Please take the time to complete **both** the enclosed proxy and ballot and sign and return them in the enclosed, postage-paid envelopes as soon as possible. We will not complete the recapitalization plan unless we obtain the approval of our shareowners.

Sincerely,

Robert A. Ferchat
Chairman

Thomas M. Dougherty
President and CEO

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NOTICE OF SPECIAL MEETING OF SHAREOWNERS

To Be Held on February 12, 2004

You are cordially invited to attend our special meeting of shareowners, which will be held on Thursday, February 12, 2004, at 9:00 a.m. at SunTrust Plaza 303 Peachtree Street, N.E., Suite 5300, Atlanta, Georgia. The special meeting is being held for the purpose of voting on a proposed capital restructuring.

At the special meeting, you will be asked to consider and vote on the following proposals in connection with the restructuring, all of which are more fully described in the accompanying proxy statement:

1. The issuance in the restructuring transactions of 56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split).

2. The amendment and restatement of our certificate of incorporation to implement the 1 for 5 reverse stock split of our capital stock.

3. The acceptance of the prepackaged plan of reorganization.

In addition, you will be asked to vote on (i) a proposed amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan to increase the number of shares reserved and available for issuance to 6,025,000 (pre-split) shares, to add additional forms of stock-based compensation that may be issued under the plan and make certain other changes to the plan and (ii) the issuance of performance- vested restricted stock units and stock options to certain executive officers immediately following completion of the restructuring.

Only shareowners of record at the close of business on January 12, 2004 are entitled to vote at our special meeting. A list of shareowners entitled to vote will be available for examination for ten days prior to the special meeting, between the hours of 9:00 a.m. and 4:00 p.m., at our offices at 233 Peachtree Street, N.E., Harris Tower, Suite 1700, Atlanta, Georgia 30303.

This notice of special meeting and proxy statement and accompanying proxy card and ballot are being first sent to shareowners on or about January 15, 2004.

By Order of the Board of Directors,

Barbara L. Blackford
Vice President, General Counsel, and
Corporate Secretary

Your vote is important. We urge you to sign and return both your proxy and ballot before the special meeting so that your shares will be represented and voted at the special meeting, even if you cannot attend.

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PROXY STATEMENT

SUMMARY

General

This proxy statement is being furnished to our shareowners in connection with a proposed capital restructuring of our company. We expect that the completion of the financial restructuring will improve our capital structure and reduce the financial risks in our business plan by substantially reducing the required payments under our outstanding indebtedness in 2005 and beyond.

We propose to effect the restructuring through an out-of-court restructuring, or recapitalization plan, which consists of:

- offers (both public and private) to exchange all of our outstanding 13.5% senior subordinated discount notes due 2009, which we refer to as the old notes, for
  - 56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split) and
  - $160 million in aggregate principal amount of newly-issued 9 3/8% senior subordinated secured notes due 2009, which we refer to as the new notes ;
- a consent solicitation to remove substantially all of the restrictive covenants in the indenture governing the old notes, release all collateral securing our obligations under the old notes indenture and obtain waivers of any defaults that may occur under the old notes indenture in connection with the restructuring;
- an amendment to our credit facility; and
- a 1 for 5 reverse stock split of shares of our outstanding capital stock and a reduction of the shares that may be issued under our amended and restated certificate of incorporation.

Pursuant to a support agreement, we previously made a private offer to holders of approximately 67% of our outstanding old notes to exchange their old notes for shares of our common stock and new notes on terms and conditions substantially identical to those in the public exchange offer. Consummation of the public and private exchange offers will occur concurrently, following satisfaction of all conditions.

If the recapitalization plan is not successful, we may accomplish the restructuring through an in-court restructuring, or prepackaged plan, to accomplish the restructuring on the same terms as the recapitalization plan, through the solicitation of acceptances under Chapter 11 of the Bankruptcy Code.

We are furnishing this proxy statement to ask for your approval of the recapitalization plan, your vote for acceptance of the prepackaged plan and your approval of an amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan to increase in the number of shares reserved and available for issuance, add additional forms of stock-based compensation that may be issued under the plan and make certain other changes to the plan and your approval of the issuance of performance-vested restricted stock units and stock options to certain executive officers immediately following completion of the restructuring.

For a description of the recapitalization plan, see The Recapitalization Plan on page 28, and for a description of the prepackaged plan, see The Prepackaged Plan, beginning on page 170. This proxy statement is being furnished to our shareowners in connection with (1) our solicitation of proxies for use at the special meeting of shareowners to be held on February 12, 2004 for the purpose of voting on the proposals set forth in detail below and (2) our solicitation of acceptances of the prepackaged plan of reorganization under Chapter 11 of the Bankruptcy Code.

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The restructuring will significantly dilute the percentage of outstanding stock owned by our shareowners. We believe, however, that the completion of the restructuring is critical to our ability to improve our capital structure. If the restructuring is not completed, we may be forced to consider an alternative plan of restructuring or reorganization. Any alternative plan of restructuring or reorganization may result in our shareowners, noteholders and other constituencies receiving less than proposed in the recapitalization plan, or nothing.

The percentage ownerships set forth in this proxy statement, after giving effect to the restructuring but not the stock split, assume that all of our outstanding old notes are exchanged for common stock and new notes in the exchange offer, and do not give effect to any shares of our common stock that may be issued pursuant to warrants or employee stock options.

THE COMPANY

AirGate PCS, Inc. and its subsidiaries were created for the purpose of providing wireless Personal Communication Services, or PCS. We are a network partner of Sprint PCS with the exclusive right to market and provide Sprint PCS products and services in a defined network territory. Sprint PCS is a group of wholly-owned subsidiaries of Sprint Corporation, a diversified telecommunications service provider, that operate and manage Sprint s PCS products and services.

AirGate offers PCS products and services in a territory covering portions of South Carolina, North Carolina and Georgia with attractive demographic characteristics. AirGate s territory has many vacation destinations, covers substantial highway mileage and includes a large student population, with at least 60 colleges and universities. As of September 30, 2003, AirGate had 359,460 subscribers and total network coverage of approximately 6.1 million residents, representing approximately 83% of the residents in its territory. For the year ended September 30, 2003, AirGate generated revenue of approximately $331.3 million and had a net loss of $42.2 million. AirGate has experienced continued net losses from inception and has an accumulated deficit of $1.3 billion and stockholders deficit of $377.0 million at September 30, 2003.

On November 30, 2001, AirGate acquired iPCS, Inc., another Sprint PCS network partner. On February 23, 2003, iPCS filed a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Georgia for the purpose of effecting a court-administered reorganization. On October 17, 2003, AirGate transferred its shares of iPCS common stock to a Delaware trust, organized for the benefit of AirGate s stockholders as of the date of transfer. As a result, we no longer have any interests in iPCS. See The Recapitalization Plan iPCS Stock Trust.

In connection with their audit of our year-end financial results, KPMG LLP, our independent auditors, included an explanatory paragraph for going concern in their audit opinion with respect to our fiscal 2003 financial statements. Such an explanatory paragraph would result in a default under our credit facility. We have obtained an amendment of our credit facility to permit this explanatory paragraph and prevent a default under the credit facility.

Our principal executive offices are located at Harris Tower, 233 Peachtree Street NE, Suite 1700, Atlanta, Georgia 30303. Our website is located at www.airgatepcsa.com. Information contained on our website does not constitute a part of this proxy statement.

Our Relationship with Sprint

We are a Sprint network partner with the right to sell Sprint PCS products and services in our territory. Sprint operates a 100% digital PCS wireless network in the United States and holds the licenses to provide PCS nationwide using a single frequency band and a single technology. Sprint, directly and indirectly through network partners such as us, provides wireless services in more than 4,000 cities and communities across the country.

As a Sprint network partner, AirGate entered management and related agreements whereby it has the right to provide 100% digital PCS products and services under the Sprint brand names in our Southeastern territory. Under our agreements with Sprint, we manage our network using Sprint s licensed spectrum. We are generally entitled to 92% of revenues collected from subscribers in our territory and 100% of revenues collected from the sale of handsets and accessories and on roaming revenues received when subscribers of Sprint and its other network partners make a wireless call on our PCS network. Under our agreements with Sprint, we have contracted with Sprint to provide billing, customer care and other related services. We also reimburse Sprint for a variety of costs and expenses. Our relationship with Sprint has certain advantages and disadvantages, which are summarized herein under AirGate Sprint Relationship and Agreements Advantages and Disadvantages of Our Relationship with Sprint. For a more complete description of our agreements with Sprint, see AirGate Sprint Relationship and Agreements.

Two recent surveys ranked Sprint last among national wireless carriers in terms of customer satisfaction with customer care. We believe actual or perceived poor customer care contributes to higher churn. AirGate is examining a change in its billing and customer care provider from Sprint to another provider. Whether we change providers depends on a number of factors, including our estimate of improvements to our business which may result from a change in providers, the cost of alternative providers compared to Sprint, the costs Sprint may charge to accommodate the transition to a new provider, the costs Sprint may charge for services that remain with Sprint, either through our choice or because Sprint requires us to accept these services, and the resolution of other issues with Sprint. Sprint has proposed changes in our underlying economic relationship on terms similar to those accepted by other Sprint network partners. Under this modified arrangement, Sprint would provide fixed service costs for up to three years at lower rates than those charged prior to 2004, subject to certain exceptions and would agree to fix the reciprocal roaming rate charged among Sprint and its network partners at $0.058 per minute for at least three years. We are evaluating all of these alternatives. In October 2003, the Company was informed that the reciprocal roaming rate would be reduced to $0.041 per minute in 2004. In January 2004, the Company was informed that the service bureau fees for 2004 would be at or below those in Sprint s proposal to change our economic relationship. See AirGate Outsourced Services.

If we decide the best alternative for AirGate is to terminate Sprint customer care and billing, we would be required to incur costs to connect to the Sprint system and satisfy appropriate Sprint program requirements with regard to these services. A termination of these services, would not, in and of itself, terminate other services provided by Sprint, nor change the fundamental nature of our Sprint affiliate relationship. We would continue as a Sprint network partner and our subscribers would have access to the national Sprint network and its products and services.

THE FINANCIAL RESTRUCTURING

Reasons for the Financial Restructuring

We became a Sprint PCS network partner in 1998 and completed an initial public offering in September 1999. At that time, our business plan projected that historic high rates of growth in the wireless industry would continue through 2009 as wireless penetration rates in the United States grew to above 70%, which would in turn support pricing levels for wireless products and services. As a result, we believed that we would have sufficient cash flow to service our high level of debt. Our growth rates through mid-2002 met or exceeded our expectations, despite slower subscriber growth in the industry in 2001 than in prior years. Nevertheless, we have incurred operating losses and experienced continued net losses for every fiscal year since we commenced operations. Since mid-2002, our rate of subscriber growth has slowed significantly, our industry has become more competitive than we expected and our market share has declined. AirGate had a net loss of $42.2 million for fiscal 2003 and had a stockholders deficit of $377.0 million at September 30, 2003. In addition, AirGate has an accumulated deficit of $1.3 billion at September 30, 2003.

Further, our dependence on Sprint has, over time, created additional challenges that have compounded the problems created by these market conditions. Among the most serious problems was Sprint s introduction of the Clear Pay program targeted at sub-prime credit quality subscribers in early 2001, which resulted in unexpectedly high levels of customer turnover or churn and higher levels of bad debt in 2002 and early 2003. In addition, Sprint has made unilateral decisions over time that have had an adverse impact on our revenue, such as the reduction in the reciprocal roaming rate paid by Sprint and its

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network partners. Further, we have not realized the benefits of scale that were expected when we agreed to designate Sprint as our principal service provider for various services, including billing, collections and customer care. Finally, we believe Sprint s failure to provide customer care in a manner consistent with that of our competitors has contributed to higher rates of churn.

These factors and the lack of additional sources of capital led us to revise our business plan to, among other things, account for slower growth, increased competition, higher Sprint costs and lower reciprocal roaming rates, and to focus on increased EBITDA and cash conservation by reducing spending for capital and operating costs. This revised business plan led us to examine alternatives for a capital restructuring.

After drawing the remaining available $9.0 million credit under our $153.5 million credit facility in August, 2003, we have no outside funding alternatives and are completely dependent on available cash and operating cash flow to operate our business and fund our capital needs. We have significant cash principal and interest payments under our indebtedness coming due during the period from 2005 through 2009. In November 2003, we entered into an amendment to our credit facility as described herein under Description of Our Credit Facility Amendment of Our Credit Facility. Certain changes are effective and are used in determining compliance with financial covenants for periods ended December 31, 2003 and thereafter and will assist us in complying with key financial covenants for the next twelve months. Under our current business plan, our compliance with the financial covenants under our credit facility is not assured and after March 2005, our ability to generate operating cash flow to cover our debt service and other capital requirements and meet the financial covenants in our credit facility is significantly uncertain. In addition, there is substantial risk under our current business plan that we would not have sufficient liquidity to meet our cash interest obligations under the old notes beginning in 2006.

Two Alternative Plans for Completing the Financial Restructuring

General

The recapitalization plan consists of several concurrent transactions described below. Consummation of the recapitalization plan, assuming that all outstanding old notes are tendered in the exchange offer, will

- result in a reduction of more than $255 million in the principal and interest payments represented by the old notes over the next six years and

- substantially reduce the financial risk in our business plan.

As a result, we will have approximately $310.3 million of outstanding debt at face value on a pro forma basis as of September 30, 2003, and our existing stockholders will hold approximately 44% of our outstanding common stock.

Results if We do not Complete the Financial Restructuring

If we are not able to complete the recapitalization plan for any reason and do not pursue a filing of the prepackaged plan, without changes to our current business plan, our compliance with the financial covenants in our senior credit facility is not assured and we are likely to default on our financial covenants under our credit facility after March 2005. In addition, there is substantial risk that we would not have sufficient liquidity to meet our cash interest obligations under the old notes beginning in 2006.

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Unless the financial restructuring occurs, we will be required to make the following approximate principal and interest payments on our credit facility and old notes:

Fiscal Year	Principal	Interest*
	(In millions)	
2004	$ 17.8	$ 8.0
2005	23.7	47.3
2006	30.1	45.8
2007	39.9	43.9
2008	40.0	41.7
2009	300.0	40.5

* The estimated interest payments assume an interest rate on our credit facility of 5.5%. As of September 30, 2003, the weighted average interest rate on our credit facility was 5.05%.

If the restructuring is not completed, management intends to take actions to enable us to meet our debt service requirements and other capital needs. Such actions may include

seeking additional amendments to our credit facility to avoid financial covenant defaults,

seeking additional sources of financing, and

further reducing general and administrative, sales and marketing and capital spending.

There can be no assurance that these actions will be sufficient to enable us to generate sufficient cash flow to meet our financial covenants and payment obligations. In such event, we may be forced to seek bankruptcy protection.

Further, while some of these actions would decrease our expenses in the short-term, in the long-term, they may significantly increase churn and decrease subscriber growth and revenues and our financial condition and results of operations may further decline.

RECAPITALIZATION PLAN

The recapitalization plan for achieving our financial goals consists of the following transactions (which, together with the transaction contemplated by the prepackaged plan, we refer to as the restructuring transactions):

1. *Exchange Offer and Consent Solicitation.* Concurrently with the solicitation of proxies pursuant to this proxy statement, we are conducting an exchange offer and consent solicitation by means of a separate registration statement filed with the SEC. We are offering to exchange all of our outstanding old notes for an aggregate of

56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split); and

$160,000,000 in aggregate principal amount of our new notes,

in each case assuming the exchange of all outstanding old notes. In exchange for each $1,000 of principal amount due at maturity of our old notes validly tendered in the exchange offer and not withdrawn, we will issue

110.1384 shares of our pre-reverse split common stock (having an approximate value of $334.82, based on the last reported bid price of $3.04 on January 13, 2004) and

$533.33 in aggregate principal amount of our new notes.

The shares of our common stock and the new notes issued in the public exchange offer to holders who did not execute the support agreement will not be restricted securities. Pursuant to a support agreement, we previously made a private offer to holders of approximately 67% of our outstanding old notes to exchange their old notes for shares of our common stock and new notes on terms and conditions substantially identical to those in this public exchange offer. Consummation of the public and private exchange offers will occur concurrently, following satisfaction of all conditions. The shares of our common stock and the new notes issued in the private exchange offer will be restricted securities under the Securities Act of 1933, as amended, and will contain a legend to this effect. We will file a resale registration statement to permit resale of these securities immediately following consummation of the recapitalization plan. As used in this proxy statement, the term exchange offer collectively refers to both the public and private exchange offers.

Concurrently with the exchange offer, we are soliciting the consent of each holder of our old notes to amend the indenture governing the old notes, which we refer to as the old notes indenture, to amend the old notes indenture to

eliminate substantially all of the restrictive covenants contained in the old notes indenture,

release all of the collateral securing our obligations thereunder and

waive any defaults and events of default under the old notes indenture that may occur in connection with the recapitalization plan.

2. *Amendment to Our Credit Facility.* In contemplation of the proposed restructuring, AirGate entered into an amendment to its credit facility on November 30, 2003. Certain changes are effective and are used in determining compliance with financial covenants for periods ended December 31, 2003 and thereafter. Other changes are not effective until the restructuring is complete. For a discussion of the amendments to our credit facility, see Description of Our Credit Facility.

3. *Reverse Stock Split.* We are proposing to amend and restate our restated certificate of incorporation to implement a 1 for 5 reverse stock split of the outstanding shares of our capital stock and reduce the number of shares authorized for issuance under our certificate of incorporation.

Shareowner Approval

Pursuant to this proxy statement, we are soliciting proxies to be voted at the special meeting. The special meeting will be held to consider and vote on the following proposals:

1. The issuance, in connection with the restructuring transactions, of an aggregate of 56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split).

2. The amendment and restatement of our restated certificate of incorporation to implement the reverse stock split and reduce the number of shares authorized for issuance under our certificate of incorporation.

3. The amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan and the issuance of awards thereunder.

Consummation of the recapitalization plan requires shareowner approval of proposals 1 and 2 (which we refer together as the restructuring proposals). **If either of proposals 1 or 2 is not approved by our shareowners at the special meeting, then neither of them will become effective.** Shareowner approval of Proposal 3 is not a condition to the consummation of the recapitalization plan.

The Support Agreement

We have entered into a support agreement with holders of old notes representing approximately 67% of the aggregate principal amount due at maturity of the outstanding old notes. The support agreement sets forth the terms and conditions of, and commitments of the parties with respect to, the financial restructuring. Pursuant to the support agreement, these holders have agreed, subject to the terms thereof, to tender their old notes in the private exchange offer and consent to certain changes to the old notes indenture. These noteholders will receive restricted shares of our common stock and new notes. Because these holders also have agreed, subject to certain conditions, to accept the prepackaged plan, we believe it is likely that we would have enough acceptances to confirm the prepackaged plan, if necessary. We have entered into an amendment to the support agreement on January 14, 2004 with holders of old notes representing approximately 65% of the outstanding old notes, to extend the expiration date for consummating the exchange offer or filing the prepackaged plan from December 31, 2003 to February 15, 2004 (and extend the agreement s overall expiration date from February 15, 2004 to April 1, 2004) and to provide that interest on the new notes will accrue from January 1, 2004. See The Prepackaged Plan of Reorganization Vote Required for Class Acceptance of the Prepackaged Plan of Reorganization and Confirmation of the Prepackaged Plan of Reorganization Without Acceptance by All Classes of Impaired Claims and Interests. A copy of the support agreement, together with the amendment, is attached to this proxy statement as Annex A. For a description of the support agreement and the amendment, see The Restructuring Description of Amended Support Agreement.

Board Composition After Consummation of the Recapitalization Plan

Within 90 days of completion of the restructuring transactions, our board of directors will have seven members (nine members if certain former holders of iPCS, Inc. stock exercise their nomination right under the Agreement and Plan of Merger dated August 28, 2001 by and between us and iPCS pursuant to which we acquired iPCS) three (or four if such iPCS stockholders exercise their nomination right) of whom must be approved by the holders of the old notes that are signatories to the amended support agreement from a proposed list of candidates jointly developed by us and such holders of the old notes. Thereafter, these holders of the old notes have no further or ongoing designation or approval rights with respect to the composition of our board of directors.

Other Conditions to the Consummation of the Recapitalization Plan

In addition to the required shareowner approval, the completion of the recapitalization plan is also conditioned upon, among other conditions, our receipt of valid tenders in the exchange offer of old notes, which have not been withdrawn, constituting at least 98% in aggregate principal amount of the old notes outstanding immediately prior to the expiration of the exchange offer. Under the amended support agreement, holders of 65% of the old notes have agreed, subject to the terms thereof, to tender their old notes in the exchange offer and consent to certain changes in the old notes indenture. We reserve the right to waive the minimum tender condition, which, under the terms of the amended support agreement, we would be able to do only with the prior approval of our board of directors and holders of a majority of old notes that are parties to the support agreement.

Dilution

Upon consummation of the restructuring, the equity interests of our existing shareowners, as a percentage of the total number of the outstanding shares of our common stock, will be significantly diluted.

If the restructuring is not completed, we may be forced to consider an alternative plan of restructuring or reorganization. Any alternative plan of restructuring or reorganization may result in our shareowners, noteholders and other constituencies receiving less than proposed in the recapitalization plan, or nothing.

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The following table presents certain information regarding the capitalization as of September 30, 2003 on a historical basis and on a pro forma basis to reflect the consummation of our recapitalization (without giving effect to the reverse stock split):

	As of September 30, 2003	
	Historical	Pro Forma
Common Stock:		
Existing AirGate shareholders(1)	25,961,191	25,961,191
Tendering holders of old notes		33,041,516(2)
Total shares outstanding	25,961,191	59,002,707
Stock Options:		
Shares reserved for issuance pursuant to outstanding options(3)	1,277,070	1,277,070
Shares available for issuance pursuant to future option grants	882,636	5,405,000
Total shares reserved and available for issuance under stock incentive plans(3)	2,159,706	6,682,070
Warrants:		
Total shares reserved for issuance pursuant to outstanding warrants(4)	687,800	687,800

(1) Includes 326,874 shares beneficially owned by executive officers and directors as of September 30, 2003. See Security Ownership of Certain Beneficial Owners, Directors And Officers.

(2) Assumes 100% of the old notes are validly tendered in the public and private exchange offers and not withdrawn.

(3) Includes 783,595 shares reserved for issuance pursuant to outstanding options having an exercise price in excess of $5 per share, of which 663,031 have an exercise price in excess of $12.50 per share.

(4) Includes 669,110 shares reserved for issuance pursuant to outstanding warrants having an exercise price of $20.40 or more per share.

Registration Rights

Upon consummation of the restructuring, the noteholders that are a party to the support agreement, including its amendment or any joinder, will hold restricted shares of common stock and new notes. Consequently, we have agreed, pursuant to a registration rights agreement, to file, and to use our reasonable best efforts to effect and maintain the effectiveness of, a shelf registration statement to permit such noteholders resale of such common stock and new notes. If the resale registration statement is not effective on the issue date of the new notes, we have agreed to pay these holders liquidated damages from and including the issue date through the date on which the resale registration statement is declared effective in an amount equal to 1.00% per annum for each $1,000 in aggregate principal amount of new notes issued to such holders. These registration rights, together with our obligation to pay liquidated damages, will terminate if we pursue our restructuring by filing the prepackaged plan. Such holders will be listed as selling security holders in the resale registration statement, and to the extent any such holder is a broker dealer under the federal securities laws, such holder will be deemed an underwriter.

In addition, we entered into a registration rights agreement at the time of our acquisition of iPCS with some of the former iPCS stockholders. Under the terms of the registration rights agreement, Blackstone Communications Partners I L.P. and certain of its affiliates (Blackstone) have a demand registration right, which became exercisable after November 30, 2002, subject to the requirement that the offering exceed size requirements. In addition, the former iPCS stockholders, including Blackstone, have incidental registration rights pursuant to which they can, in general, include their shares of our common stock in any public registration we initiate, whether or not for sale for our own account.

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AMENDMENT AND RESTATEMENT OF INCENTIVE PLAN

Concurrently with the recapitalization plan, we are proposing, subject to shareowner approval, to amend and restate the 2002 AirGate PCS, Inc. Long-Term Incentive Plan (the Plan) to:

increase the number of shares reserved and available for issuance to 6,025,000 (pre-split) shares;

add additional forms of stock-based compensation that may be issued under the Plan; and

make certain other changes to the Plan, some of which are intended to provide greater flexibility under the Plan (such as increasing the limit on the number of shares that may be granted as restricted stock or performance shares) and others that set certain limitations on the Plan (such as limiting the number of shares that may be granted to a participant during any one calendar year).

Immediately following the completion of the recapitalization plan, we are also proposing to issue 575,000 performance-vested restricted stock units (that vest only if certain financial goals are met) and 1,725,000 stock options (with a four year vesting period and certain holding requirements) to our executive officers. Any shares issued under the Plan will proportionately dilute existing shareowners and tendering old noteholders.

PREPACKAGED PLAN

Although our board of directors has made no decision to file a petition for relief under Chapter 11 of the Bankruptcy Code, we have prepared the prepackaged plan as a possible alternative to the recapitalization plan for effecting the restructuring if the minimum tender and other conditions to the completion of the exchange offer are not satisfied or waived but we do receive the required acceptances to seek confirmation of the prepackaged plan. We are therefore soliciting the vote of each shareowner in favor of the prepackaged plan by including ballots for such vote with this proxy statement. We are also soliciting acceptances of the prepackaged plan from the holders of our old notes pursuant to a prospectus and solicitation statement and a private offering memorandum and solicitation statement. We do not intend to file a petition for relief under Chapter 11 of the Bankruptcy Code and seek confirmation of the prepackaged plan if the shareowner approval, minimum tender and other conditions to the recapitalization plan are satisfied or waived.

The prepackaged plan consists of a plan of reorganization under Chapter 11 of the Bankruptcy Code that would effect the same transactions contemplated by the recapitalization plan. Under the prepackaged plan, the holders of our old notes and our shareowners (as well as the holders of all other claims) will receive the same consideration in exchange for their claims and interests as they would receive in the recapitalization plan (except for holders of below market warrants and stock options, whose interests will be cancelled under the prepackaged plan). A copy of the prepackaged plan is attached to this proxy statement as Annex E.

We are seeking acceptances of the prepackaged plan from all impaired classes of claims and equity interests, including holders of the old notes, that are entitled to vote on the prepackaged plan. Under the prepackaged plan, creditors and shareowners who hold substantially similar legal claims or interests with respect to the distribution of the value of our assets are divided into separate classes of claims or interests. Under the Bankruptcy Code, the separate classes of claims and interests must be designated either as impaired (affected by the plan) or unimpaired (unaffected by the plan). For the prepackaged plan to be confirmed by the bankruptcy court without invoking the cram down provisions, each class of claims or interests that is impaired must vote to accept the prepackaged plan. An impaired class of claims (such as the class of our old noteholders (Class 3)) is deemed to accept a plan of reorganization under the provisions of the Bankruptcy Code if holders of at least two-thirds in dollar amount and more than one half in number of the holders of claims who actually cast ballots vote to accept the prepackaged plan. An impaired class of interests (such as our common stock (Class 7)) is deemed to accept a plan of reorganization if the holders of at least two-thirds in amount of the interests in such class who actually cast ballots vote accept the prepackaged plan.

The solicitation period for acceptances of the prepackaged plan will expire at the conclusion of the special meeting of shareowners (unless extended). Votes on the prepackaged plan may be revoked, subject to the procedures described in this proxy statement, at any time prior to the solicitation expiration date. Only shareowners of record at the close of business on January 12, 2004 are entitled to vote at the special meeting and to vote to accept or reject the prepackaged plan.

You must complete and return the enclosed proxy in order to vote for or against the restructuring proposals and you must complete and return the enclosed ballot in order to vote to accept or reject the prepackaged plan.

In order to vote to accept or reject the prepackaged plan, shareowners are not required to be present at the special meeting. It is important that all shareowners vote to accept or reject the prepackaged plan because, under the Bankruptcy Code, because only holders who vote will be counted for purposes of determining whether the requisite acceptances have been received. Failure by a shareowner to vote on the prepackaged plan will be deemed to constitute an abstention by such shareowner with respect to a vote on the prepackaged plan, and will not be counted as a vote for or against the prepackaged plan.

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ABOUT THE SOLICITATION OF PROXIES AND ACCEPTANCES

Purpose of this Proxy Statement

This proxy statement is furnished in connection with our solicitation of proxies and ballots to be voted:

- at the special meeting, and
- in connection with the prepackaged plan.

You must complete and return the enclosed proxy in order to vote for or against the restructuring proposals, the amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan and the issuance of awards thereunder. You must complete and return the enclosed ballot in order to vote to accept or reject the prepackaged plan. Our Board of Directors recommends a vote FOR the restructuring proposals and the amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan and the issuance of awards thereunder and a vote to ACCEPT the prepackaged plan.

Whether or not you are able to attend the special meeting, your vote by proxy and ballot is very important. Shareowners are encouraged to mark, sign and date the enclosed proxy and ballot and mail them promptly in the enclosed, postage-paid return envelope.

Date, Time and Place of Special Meeting

The special meeting will be held on February 12, 2004, at 9:00 a.m. at SunTrust Plaza 303 Peachtree Street, N.E., Suite 5300, Atlanta, Georgia.

Purpose of Special Meeting

The purpose of the special meeting is to consider and vote on the following proposals:

1. The issuance, in connection with the restructuring transactions, of an aggregate of 56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split).

2. The amendment and restatement of our restated certificate of incorporation to implement a 1 for 5 reverse stock split of our capital stock and reduce the number of shares authorized for issuance under our certificate of incorporation.

3. The amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan to increase the number of shares authorized for issuance to 6,025,000 (pre-split) shares, to add additional forms of stock-based compensation that may be issued under the plan and make other changes to the plan and to grant 575,000 performance-vested restricted stock units and 1,725,000 stock options to certain executive officers immediately following the completion of the recapitalization plan.

Consummation of the recapitalization plan requires shareowner approval of Proposals 1 and 2. If either of Proposals 1 or 2 is not approved by our shareowners at the special meeting, then neither of them will become effective. Shareowner approval of Proposal 3 is not a condition to the consummation of the recapitalization plan. For a full description of each of the restructuring proposals, see The Restructuring Proposals on page 47.

Shares You are Entitled to Vote

You may vote all shares you owned as of the record date. These include (1) shares owned directly in your name as *shareowner of record,* including shares purchased through our employee stock purchase plan and (2) shares held for you as the *beneficial owner* through a stockbroker or bank or shares purchased through our 401(k) plan.

What is the difference between holding shares as a shareowner of record and as a beneficial owner?

Most of our shareowners hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. As summarized below, there are some differences between shares held of record and those beneficially owned.

Shareowners of Record. If our shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the *shareowner of record* with regard to those shares. As the *shareowner of record,* you have the right to grant your proxy directly to us to vote your shares on your behalf at the meeting or the right to vote in person at the meeting. You also have the right to complete and return your ballot to us. We have enclosed or sent a proxy card and ballot for you to use.

Beneficial Owner. If our shares are held in a stock brokerage account or by a bank or other nominee, you are considered the *beneficial owner* of shares held in street name, and these materials are being forwarded to you by your broker or nominee, which is considered the *shareowner of record* with respect to those shares. As the *beneficial owner,* you have the right to direct your broker or nominee how to vote and are also invited to attend the special meeting. However, since you are not the *shareowner of record,* you may not vote these shares in person at the special meeting unless you obtain a signed proxy from the *shareowner of record* giving you the right to vote the shares. Your broker or nominee has enclosed or provided a voting instruction card and a ballot for you to use to direct your broker or nominee how to vote these shares.

Voting on the Restructuring Proposals and the Amendment and Restatement of the Plan and Issuance of Awards Thereunder

Voting of Proxies

All shares represented by a properly executed proxy will be voted at the special meeting in accordance with the directions on such proxy. If no direction is indicated on a properly executed proxy, the shares covered thereby will be voted in favor of each proposal.

Procedures for Voting

(1) *By Mail* You may vote by mail by signing your proxy card and returning it in the enclosed envelope, or for shares beneficially owned, by signing the voting instruction card provided by your broker or nominee and returning them as instructed by your broker or nominee.

(2) *In Person* If you are a *shareowner of record,* you may vote in person at the special meeting. *Even if you currently plan to attend the special meeting, we recommend that you also submit your proxy by mail as described above so that your vote will be counted if you later decide not to attend the special meeting.* Shares beneficially owned may be voted in person only if you obtain a signed proxy from the shareowner of record giving you the right to vote the shares.

Changing Your Vote

You may change your proxy instructions at any time prior to the vote at the special meeting. For shares held directly in your name, you may accomplish this by granting a new proxy bearing a later date (which automatically revokes the earlier proxy) or by attending the special meeting and voting in person. Attending the meeting will not cause your previously granted proxy to be revoked unless you specifically so request. For shares you beneficially own, you may accomplish this by submitting new voting instructions to your broker or nominee.

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Procedures if You Receive More than one Proxy Card

It means your shares are registered differently or are in more than one account. Please provide voting instructions for all proxy and voting instruction cards you receive.

Adjournment(s)

In the event that a quorum is not reached for the special meeting, the special meeting will be adjourned until such time as a quorum exists. In the event that sufficient votes in favor of any of the proposals are not received by the time scheduled for the special meeting, or if any of the conditions to the consummation of the recapitalization are not satisfied, the persons named as proxies may propose one or more adjournments of the special meeting to permit further solicitation of proxies with respect to any of such proposals or to permit the satisfaction of any such condition and may vote shares for which they are proxies in favor of such adjournments. Any adjournment with respect to a particular proposal will require the affirmative vote of a majority of the voting power present or represented at the special meeting in person or by proxy on that proposal.

All proxies which indicate a vote FOR any of the three proposals to be voted on at the meeting shall be deemed a vote FOR any adjournment(s) of the meeting with respect to such proposal(s).

Quorum; Requirements for Shareowner Approval

The holders of at least 50% of the outstanding shares of common stock must be present at the meeting, in person or by proxy to constitute a quorum. If you attend the special meeting or return a proxy, your shares will be considered part of the quorum.

Receipt of the affirmative vote of the holders of a majority of the outstanding shares of our common stock is required to approve Proposal 2, the amendment and restatement of our certificate of incorporation to effect the reverse stock split.

Receipt of the affirmative vote of a majority of the shares voting in person or by proxy at the special meeting is needed to approve the issuance of our common stock in the restructuring transactions, and the amendment and restatement of our 2002 AirGate PCS, Inc. Long-Term Incentive Plan and the issuance of grants thereunder.

Each share of our common stock is entitled to one vote.

No Dissenters Rights

Shareowners have no appraisal or dissenters rights with respect to the restructuring proposals or the undertaking by us of any of the transactions described in this proxy statement.

Revocation of Proxies

A stockholder who has executed and returned a proxy may revoke it at any time before it is voted by executing and returning a proxy bearing a later date, by giving written notice of revocation to our Corporate Secretary, Barbara L. Blackford, or by attending the special meeting and voting in person.

Record Date; Shareholders Entitled to Vote

The record date for purposes of determining which shareowners are eligible to vote at the special meeting and on the prepackaged plan is the close of business on January 12, 2004. On the record date, there were 25,961,191 shares of our common stock outstanding, and there were approximately 200 holders of record. We believe there are approximately 4,020 beneficial owners of our common stock. There were no shares of our preferred stock outstanding on the record date.

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Cost of Soliciting Votes

Proxies and ballots are being solicited by and on behalf of our board of directors. We will bear all expenses of this solicitation, including the cost of preparing and mailing this proxy statement. We have retained Georgeson Shareholder Communications Inc. to assist in the solicitation of proxies and ballots from our shareowners. In addition to solicitation by use of the mails, proxies and ballots may be solicited by directors, officers, and employees in person or by telephone, telegram, or other means of communication. Such directors, officers, and employees will not be additionally compensated, but may be reimbursed for out-of-pocket expenses in connection with such solicitation. Arrangements will also be made with custodians, nominees, and fiduciaries for forwarding of proxy solicitation material to beneficial owners of our common stock held of record by such persons, and we may reimburse such custodians, nominees, and fiduciaries for reasonable expenses incurred in connection therewith.

Voting on the Prepackaged Plan

Procedures for Voting on the Prepackaged Plan

To vote to accept the prepackaged plan, you must properly execute a ballot in accordance with the directions on such ballot and return it to the voting agent by 9:00 a.m. (EST) on February 12, 2004, or any extension thereof (the solicitation expiration date).

If you are a *shareowner of record*, you can vote on the prepackaged plan by completing the information requested on the ballot, signing, dating, and indicating your vote on the ballot, and returning the completed original ballot in the enclosed, pre-addressed, postage-paid envelope so that it is actually received before the solicitation expiration date.

If you are a *beneficial owner*, you can vote on the prepackaged plan in one of the two following ways:

If your ballot has already been signed (or prevalidated) by your broker or nominee, you can vote on the prepackaged plan by completing the information requested on the ballot, indicating your vote on the ballot, and returning the completed original ballot in the enclosed, pre-addressed, postage-paid envelope so that it is actually received by the voting agent on or before the solicitation expiration date.

If your ballot has not been signed (or prevalidated) by your broker or nominee, you can vote on the prepackaged plan by completing the information requested on the ballot, indicating your vote on the ballot, and returning the completed original ballot to your broker or nominee in sufficient time for your nominee to forward your vote to the voting agent so that it is actually received by the voting agent on or before the solicitation expiration date.

Only the beneficial owners of our stock (or their authorized signatories) are eligible to vote on the prepackaged plan. See The Prepackaged Plan Holders of Claims Entitled to Vote; Voting Record Date.

Votes on the prepackaged plan may only be cast via properly completed and delivered ballots. You may NOT cast your vote to accept or reject the prepackaged plan at the special meeting.

Revocation of Votes on the Prepackaged Plan

Votes on the prepackaged plan may be revoked at any time on or before the solicitation expiration date. If we file the prepackaged plan, the revocations of such votes may be effected thereafter only with the approval of the bankruptcy court. See The Prepackaged Plan Solicitation of Acceptances of the Prepackaged Plan Solicitation.

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Record Date; Shareholders Entitled to Vote on the Prepackaged Plan

The record date for purposes of determining which shareowners are eligible to vote at the special meeting on the prepackaged plan is the same as for voting on the proposals discussed above, January 12, 2004.

Voting Agent and Information Agent

Georgeson Shareholder Communications Inc. is the voting agent and information agent. Its address and telephone number is set forth on the back cover of this proxy statement.

Questions and requests for assistance or for additional copies of this proxy statement, the proxy card and forms of ballots may be directed to the information agent at the address and telephone number set forth on the back cover of this proxy statement.

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THE RESTRUCTURING

Background

We became a Sprint PCS network partner in 1998 and completed an initial public offering in September 1999. At that time, our business plan projected that historic high rates of growth in the wireless industry would continue through 2009 as wireless penetration rates in the United States grew to above 70%, which would in turn support pricing levels for wireless products and services. As a result, we believed that we would have sufficient cash flow to service our high level of debt. Our growth rates through mid-2002 met or exceeded our expectations, despite slower subscriber growth in the industry in 2001 than in prior years.

On November 30, 2001, we acquired iPCS in a merger. In light of consolidation in the wireless communications industry in general and among Sprint PCS network partners in particular, we believed that the merger represented a strategic opportunity to significantly expand the size and scope of our operations. We believed that, following the merger, we would have had greater financial flexibility, operational efficiencies and growth potential than we would have had on our own. In connection with the iPCS acquisition, we issued 12.4 million shares of our common stock valued at $57.16 per share on November 30, 2001, which totaled $706.6 million. We reserved an additional 1.1 million shares for issuance upon exercise of outstanding iPCS options and warrants valued at $47.7 million using a Black-Scholes option pricing model. The transaction was accounted for under the purchase method of accounting. Subsequently, certain former stockholders of iPCS sold 4.0 million shares of our common stock in an underwritten offering on December 18, 2001.

Subsequent to our acquisition of iPCS, its results of operations began to decline. On February 23, 2003, iPCS filed a Chapter 11 bankruptcy case.

Our results of operations similarly declined in this period due to many of the same factors, but not to the same degree. In particular, since the beginning of 2002, our rate of subscriber growth has slowed significantly, our industry has become more competitive than we expected and our market share has declined. Prior to calendar year 2002, our subscriber base was growing in excess of 20% per quarter. In early 2002, the quarterly subscribers growth rate declined to approximately 12% and then fell below 5% and has remained below this level since mid-2002.

Further, our dependence on Sprint has, over time, created additional challenges that have compounded the problems created by these market conditions. Among the most serious problems was Sprint s introduction of the Clear Pay program targeted at sub-prime credit quality subscribers in early 2001, which resulted in unexpectedly high levels of customer turnover or churn and higher levels of bad debt in 2002 and early 2003. Prior to the introduction of the Clear Pay program in May 2002, our average monthly customer churn rate was below 2.8%. This was due in part to a smaller subscriber base. Our quarterly churn increased to 3.2% in the last calendar quarter of 2001 and peaked at 4.3% in the third calendar quarter of 2002. In addition, Sprint has made unilateral decisions over time that have had an adverse impact on our revenue, such as the reduction in the reciprocal roaming rate paid by Sprint and its network partners. Further, we have not realized the benefits of scale that were expected when we agreed to designate Sprint as our principal service provider for various services, including billing, collections and customer care. Finally, we believe Sprint s failure to provide customer care in a manner consistent with that of our competitors has contributed to higher rates of churn.

These factors have severely limited our ability to raise new capital and led us to revise our business plans to reflect this less-favorable operating environment. In the quarter ended December 31, 2002, we began a series of cost cutting measures designed to reduce operating expenses in order to improve our financial position. We began implementing these measures in December 2002 and continued to examine and implement changes to reduce operating costs through April 2003. As of the quarter ended December 31, 2002, we had less than $1.0 million in cash and cash equivalents.

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As a result of our current business strategy, for the year ended September 30, 2003, AirGate has produced $50.2 million of operating cash flow. As of September 30, 2003, AirGate had working capital of $12.5 million and cash and cash equivalents of approximately $54.1 million, up from $(14.5) million and $4.9 million, respectively, at September 30, 2002. However, for the year ended September 30, 2003, AirGate had a net loss of $42.2 million and a stockholders deficit of $377.0 million as of September 30, 2003. After drawing the remaining available $9.0 million credit under our $153.5 million credit facility in August, 2003, we have no outside funding alternatives and are completely dependent on available cash and operating cash flow to operate our business and fund our capital needs. In November 2003, AirGate entered into an amendment to its credit facility. Management expects these changes to generally assist AirGate in complying with key financial covenants for the next twelve months. Based on our current business plan, our compliance with the financial covenants under our credit facility is not assured and, after March 2005, our ability to generate operating cash flow to pay debt service, meet our other capital needs, and meet the financial covenants in our credit facility is significantly uncertain. In addition, there is substantial risk under our current business plan that we would not have sufficient liquidity to meet our cash interest obligations on our old notes beginning in 2006.

We also have significant cash principal and interest payments under our indebtedness coming due during the period from 2005 through 2009. Unless the financial restructuring occurs, we will be required to make the following approximate principal and interest payments on our credit facility and old notes:

Fiscal Year	Principal	Interest*
	(In millions)	
2004	$ 17.8	$ 8.0
2005	23.7	47.3
2006	30.1	45.8
2007	39.9	43.9
2008	40.0	41.7
2009	300.0	40.5

* This assumes an interest rate on our credit facility of 5.5%. As of September 30, 2003, the weighted average interest rate on our credit facility was 5.05%.

The foregoing factors have led us to examine alternatives for a capital restructuring.

On February 11, 2003, Messrs. Males, McNamara, Jackman and Topchik, as representatives of Broadview International, LLC, and Mr. Duster, as the representative of Masson & Co. (collectively, the financial advisors), investment banking firms, met with our board of directors, which at that time consisted of Messrs. Dougherty, Ferchat, Schiffman and Stetz, and Mr. Seippel, our chief financial officer, and Ms. Blackford, our general counsel, for the purpose of discussing the engagement of financial advisors to assess our business plan and, if needed, to assist us in exploring restructuring alternatives. On March 3, 2003, the board formally retained the services of the financial advisors in connection with the restructuring.

Beginning in March 2003, with the assistance of the financial advisors, we assessed the operating position and outlook of AirGate from a comparative financial and operational perspective. We initiated an in-depth financial and business analysis to identify the best restructuring alternatives for AirGate based on a review of the wireless industry and our particular competitive dynamics within the industry.

In the period between February and June 2003, our business began to improve over recent prior quarters. For the nine month period ended September 30, 2003, AirGate had aggregate EBITDA of $44.2 million. AirGate s cash position improved from $0.9 million as of December 31, 2002 to $54.1 million as of September 30, 2003. We concluded that our sources of capital should be sufficient to cover our estimated funding needs through the end of 2004 and that we would be in compliance with covenants under our credit facility. Longer term, our board of directors and management were concerned that continued deterioration in the wireless industry and risks in our relationship with Sprint caused greater

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uncertainty about our ability to meet all of our working capital needs in 2005 and beyond due in part to the cash interest payments required on the old notes beginning in April 2005.

On April 2, 2003, our board of directors, together with Mr. Seippel and Ms. Blackford, conducted a telephonic meeting, which included Messrs. Males, McNamara, Jackman, Topchik and Duster, as representatives of the financial advisors. At this meeting, the financial advisors discussed potential restructuring alternatives with our directors. This discussion included a review of specific capital structure metrics and various valuation methodologies.

At this meeting, the following specific capital structure metrics were discussed:

- a coverage ratio determined by EBITDA to interest expense;
- leverage ratios determined by debt to EBITDA, debt to subscribers, debt to covered POP and debt to total capitalization; and
- a liquidity ratio determined by cash plus borrowing capacity to total debt.

Of these metrics, the ratios of EBITDA to interest expense and debt to EBITDA were the primary focus in considering an optimal capital structure for AirGate.

Based on these discussions, the preliminary conclusions reached with respect to capital structure were as follows:

- a quantitative analysis suggested that a target capital structure for AirGate should reflect the following metrics:
  - a ratio of EBITDA to interest expense in the range of 2.9x to 3.5x; and
  - a ratio of net debt to EBITDA in the range of 3.4x to 4.0x;
- debt reduction beyond these thresholds would likely produce diminishing benefits in terms of yield/borrowing costs and overall entity value (or Total Market Capitalization);
- to gain favorable positioning in the marketplace, AirGate should seek, over time, to put in place a capital structure that yielded metrics at the conservative end of the ranges set forth above; and
- these measures would position AirGate close to national operators in terms of credit quality and significantly more conservatively than regional and other affiliate operators.

At this meeting, the following specific valuation methodologies also were discussed:

- *Guideline company/public trading comparables:* Broadview and Masson reviewed Total Market Capitalization, adjusting for cash and debt, for a set of industry comparables as a function of the following operational metrics:
  - trailing twelve month (TTM) service revenue;
  - projected September 30, 2003 service revenue;
  - covered POPs;
  - TTM EBITDA; and
  - projected September 30, 2003 EBITDA.
- *Industry comparables:* Broadview and Masson reviewed the following groups: national operators, affiliate operators (Sprint and other affiliates) and select regional wireless operators. Their valuation discussion focused on the industry dynamics and characteristics of other wireless carriers that were analyzed for the purpose of estimated valuation trading multiples.

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Based on these discussions, the preliminary conclusions were as follows:

- valuation multiples across wireless telecom service providers exhibited a relatively narrow range across various types of metrics; and

- with respect to entity value as a multiple of EBITDA, Broadview s analysis at the time yielded, at the medians, 7.5x on a trailing basis and 6x to 6.5x on a forward basis.

Although a discussion of specific alternatives was deferred until the financial advisors could gather and analyze additional information, the financial advisors suggested that we consider a restructuring that would result in a conservative capital structure as compared to a range of industry comparable companies.

On April 29, 2003, our board of directors met to discuss restructuring alternatives with management and Messrs. McNamara, Jackman, Topchik and Duster, as representatives of the financial advisors. Also in attendance were Mr. Seippel, Ms. Blackford and Mr. Pfohl, our vice president of finance. Messrs. Seippel and Pfohl presented the board of directors with a detailed summary of the analysis that management had conducted over the prior months with the assistance of the financial advisors. Our board of directors concluded, after consulting with the financial advisors, that a restructuring of our debt obligations involving the conversion of our old notes into a new debt instrument with a reduced interest rate and lower face amount combined with newly issued equity of AirGate was likely to provide the best alternative for us to reduce debt and create a stable capital structure to support our business plan. This alternative was selected because of the benefit to us and probability of completion relative to other alternatives.

On June 10, 2003, our board of directors (other than Mr. Schiffman, who had by that time resigned from the board) held a telephonic meeting with Ms. Blackford and Messrs. Dougherty and Seippel. During this meeting, Messrs. Dougherty and Seippel reviewed the status of the potential restructuring. They also discussed the possibility of borrowing funds to buy old notes in the open market, but noted that the rising market price of the old notes based on AirGate s improving financial results would make such purchases more expensive and potentially cost prohibitive. The board also considered the need to seek alternative sources of funding for the repurchase of old notes or other possible restructuring transactions and our board of directors also considered raising additional funds from a third party investor through the issuance of additional equity or debt and authorized management, with the assistance of the financial advisors, to simultaneously explore a restructuring of our debt obligations and begin contacting financial and strategic investors regarding their interest in investing in us.

The financial advisors then contacted approximately 17 potential new investors regarding an investment in AirGate. These investors generally fell into three categories:

- traditional secured lenders that focus on the quality of collateral;

- hybrid secured lenders that focus on enterprise value as a basis for recovering their investment; and

- private equity investors that typically invest in the telecommunications industry.

Investors who expressed an interest signed confidentiality agreements, received material describing our business and were invited to conduct due diligence and participate in management discussions.

Our board of directors next held a telephonic meeting on July 22, 2003, with Ms. Blackford and Messrs. Seippel, Jackman and Duster to review the discussions with investors that had expressed potential interest in AirGate. We received an initial proposal from one interested party, which would have provided us with up to $35 million to repurchase our old notes. This proposal featured a minimum annual interest rate of 15.5%, plus additional fees for any value captured by purchasing old notes at a discount. The overall annual cost for this proposed funding was estimated to be over 20%, depending on underlying assumptions. Consequently, our board of directors concluded that this proposal was inadequate to meet our objectives for restructuring.

During this period, we also explored the feasibility of a restructuring by initiating a discussion with the administrative agent for our credit facility. We also began simultaneous discussions with representatives from AIG Global Investment Corp. (AIGGIC) and Capital Research and Management Company

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(Cap Re), the two largest holders of our old notes. During the month of July 2003, we proposed a term sheet to the administrative agent for our credit facility with modifications to our credit facility that would enable a restructuring of our old notes and provide us greater flexibility to achieve our business plan. We negotiated a term sheet proposal with the administrative agent and after general agreement on the terms, presented the negotiated proposal to our lenders. We reached a tentative agreement with over 51% of the lenders under the credit facility on August 29, 2003, regarding an amendment to our credit facility that would become effective upon, among other things, the completion of the exchange offer.

By mid-July 2003, our discussions with potential new debt investors made it apparent that pursuing a repurchase of the old notes with newly-borrowed funds would be too expensive, both in terms of the cost of borrowed money and the trading price of the old notes. In addition, our lenders expressed concern that we would continue to be over leveraged. Similarly, our discussions with potential new equity investors and their concern with our Sprint-related risks also made it apparent that pursuing a repurchase of old notes with the proceeds from a private equity investment would be too costly, in terms of the dilution to our existing stockholders.

As a result of these discussions, representatives of AIGGIC and Cap Re expressed an interest in pursuing a transaction that would result in our stockholders retaining approximately 50% of our outstanding common stock while reducing our outstanding debt by approximately 50%. Consequently, we began to explore the possibility of exchanging our old notes for new notes and shares of our common stock. This general structure also received a positive response from the administrative agent under our credit facility.

On August 14, 2003, our board of directors met with Messrs. Jackman and Duster, as representatives of the financial advisors. Also present at this meeting were Ms. Blackford and Messrs. Seippel and Pfohl. Messrs. Jackman and Duster reported their progress on discussions with the holder of old notes.

In late August 2003, we presented a term sheet proposal for restructuring the old notes to AIGGIC, Cap Re, and other holders, who collectively held approximately 40% of the old notes. The parties indicated willingness to proceed with further discussions and we began an in-depth negotiation process. The group participating in the negotiations expanded in September 2003 to include holders of approximately 16% of additional old notes. The major subject of the negotiations was the face amount of new notes to be issued by us and its associated interest rate and the amount of our common stock to be issued to holders of the old notes in the exchange offer. These negotiations ultimately concluded with a proposal to exchange our outstanding old notes for 56% of our common stock and $160 million in aggregate principal amount of new notes.

On September 3, 2003, our board conducted a telephonic meeting, which included the participation of Ms. Blackford and Mr. Seippel, as well as Messrs. Jackman and Duster, as representatives of the financial advisors. Also participating in the telephonic meeting were Messrs. Wall and Layson, as representatives of Winston & Strawn LLP and McKenna Long & Aldridge LLP, respectively. Messrs. Jackman and Duster reviewed their discussions with the noteholders and provided an update on the status of amending our credit facility. Mr. Layson then presented the board with a review of the terms of the prepackaged plan, and Mr. Wall followed with a discussion of certain securities law matters. The board concluded this meeting with a discussion of potential equity reserve for options and certain board composition matters.

During the month of September 2003, we contacted additional noteholders to explore their willingness to discuss participating in the exchange offer. On September 16, 2003, the board held a meeting to discuss the terms and status of the restructuring. In attendance were Ms. Blackford and Messrs. Dougherty and Seippel. Also in attendance were Messrs. Jackman and Duster, as representatives of the financial advisors, representatives of KPMG LLP, AirGate s independent auditors and tax advisors, and Mr. Wall of Winston & Strawn LLP. During this meeting, Messrs. Dougherty, Seippel, Jackman and Duster presented the board with an overview of the restructuring, which was followed by a discussion of certain accounting and tax matters that included representatives of KPMG LLP. Ms. Blackford and Mr. Wall then reviewed the terms of the restructuring documents, and Mr. Jackman reviewed the financial advisor s fairness opinion and supporting analyses. The meeting concluded with a review of the transaction timeline, followed by the board s consideration of specific resolutions, option grants and a proposed press release and communications plan.

On September 22 and 23, 2003, the board reviewed and approved the proposed exchange offer and supporting documentation. Because the board concluded that the recapitalization plan was, in its judgment, the best means for implementing the restructuring, the board also authorized the solicitation of acceptance of the prepackaged plan, which fundamentally effected the same restructuring transactions as the recapitalization plan, except through a bankruptcy case. We reached agreement with holders of old notes, representing approximately 67% in principal amount of claims held by our noteholders, on September 23, 2003. On September 24, 2003, we entered into the support agreement with Cap Re, AIGGIC, Glenview Capital Management LLC (Glenview Capital), JMB Capital Partners, LP (JMB), Lonestar Partners, LP (Lonestar), Alexandra Investment Management (Alexandra), Loeb Partners Corporation (Loeb), Pyramid, 40/86 Advisors, Ahab Partners, L.P. (Ahab), Credit Suisse First Boston International (Credit Suisse), Cobalt Capital Management, Inc. (Cobalt), Deutsche Bank Securities Inc. (Deutsche Bank) and Capital Guardian U.S. High Yield Fixed Income Fund (Capital Guardian), at which time we also publicly announced the restructuring. On January 14, 2004, we entered into an amendment to the support agreement with Cap Re, AIGGIC, Glenview Capital, JMB, Lonestar, Alexandra, Pyramid, 40/86 Advisors, Ahab, Credit Suisse, Capital Guardian and Third Point Management Company L.L.C. (Third Point), representing approximately 65% of the outstanding old notes, to extend the expiration date for consummating the exchange offer or filing the prepackaged plan from December 31, 2003 to February 15, 2004 (and extend the agreement s overall expiration date from February 14, 2004 to April 1, 2004) and provide for interest on the new notes to accrue from January 1, 2004.

This proxy statement was prepared by AirGate. Accordingly, none of Cap Re, AIGGIC, Glenview Capital, JMB, Lonestar, Alexandra, Loeb, Pyramid, 40/86 Advisors, Ahab, Credit Suisse, Cobalt, Capital Guardian or Third Point are responsible for any of the information or disclosure contained herein. These noteholders entered into the support agreement and the amendment thereto on their own behalf and make no recommendation that other noteholders tender their old notes in the exchange offer or vote to accept the prepackaged plan.

Description of Amended Support Agreement

We entered into a support agreement, dated as of September 24, 2003, with Cap Re, AIGGIC, Glenview Capital, JMB, Lonestar, Alexandra, Loeb, Pyramid, 40/86 Advisors, Ahab, Credit Suisse, Cobalt, Deutsche Bank and Capital Guardian, representing approximately 67% in amount of the outstanding old notes, pursuant to which we agreed to use our commercially reasonable best efforts to complete, and these noteholders agreed to vote in favor of, subject to the terms and conditions of the support agreement, the restructuring as contemplated by the recapitalization plan. In addition, we and these noteholders agreed that we may seek confirmation of the prepackaged plan if we have received the required acceptances of the plan and any of the conditions to the exchange offer are not satisfied or waived. Because the support agreement expired by its terms on December 31, 2003, we entered into an amendment to the support agreement on January 14, 2004 with Cap Re, AIGGIC, Glenview Capital, JMB, Lonestar, Alexandra, Pyramid, 40/86 Advisors, Ahab, Credit Suisse, Capital Guardian and Third Point, representing approximately 65% of the outstanding old notes, to extend the expiration date for consummating the exchange offer or filing the prepackaged plan from December 31, 2003 to February 15, 2004 (and extend the agreement s overall expiration date from February 15, 2004 to April 1, 2004) and to provide for interest on the new notes to accrue from January 1, 2004.

Pursuant to the amended support agreement, and in connection with and conditioned upon the successful consummation of the restructuring:

- the holders of approximately 65% in aggregate principal amount at maturity of our old notes each agreed, among other matters,
  - to tender its old notes in the exchange offer;

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- to vote to accept the prepackaged plan;
- to grant its consent to the proposed amendments to the old notes indenture; and
- to vote to reject any plan of reorganization of AirGate that does not contain the terms of the restructuring substantially as set forth in the support agreement; and

we agreed, among other matters, not to waive the minimum tender condition without the written consent of our board of directors and the holders of a majority of old notes that are a party to the amended support agreement.

Conditions

The noteholders obligations under the amended support agreement are subject to satisfaction of the following conditions:

- the preparation of documentation, in form and substance approved by the noteholders, necessary to implement the exchange offer and the transactions contemplated by the amended support agreement, including, without limitation,
  - offering materials,
  - indentures and agreements relating to the common stock and new notes to be issued in the exchange offer, and
  - the prepackaged plan and any related documents;
- the amendment to our credit facility has become effective in a form substantially similar to that previously reviewed by counsel to the noteholders, and shall be further amended in a form reasonably acceptable to the holders of a majority of old notes that are a party to the amended support agreement;
- the offering documents not containing any misstatement of a material fact or omitting to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they are made, not misleading;
- since June 30, 2003, there has not been any material adverse change (as defined in the amended support agreement, which is included as Annex A to this proxy statement);
- we have received all material third party consents and approvals contemplated by the amended support agreement or otherwise required to consummate the contemplated transactions; and
- there has been no breach of the covenants set forth in the amended support agreement.

Covenants

In addition, we have agreed that:

- we will not, unless otherwise permitted, conduct our business other than in the ordinary course;
- we will not, except as may be required by our contractual obligations, issue or agree to issue any securities, make any distributions to our stockholders, or incur any indebtedness other than as described in the offering documents; and
- we will pay all reasonable costs and expenses incurred by the noteholders counsel, which we estimate will be approximately $325,000. If we commence a bankruptcy case, our payment of costs and expenses of noteholders counsel will be subject to Bankruptcy Court approval.

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Effective Date

The effective date of our acceptance of any old notes tendered by the noteholders that are a party to the amended support agreement is subject to

- the satisfaction of all of the conditions,
- there being no material breach of the covenants,
- the tender in the exchange offer of 98% in outstanding principal amount of the old notes, and
- there being no material adverse change.

A majority of the noteholders that are a party to the amended support agreement may waive any of the foregoing requirements.

Under the amended support agreement, the effective date of the prepackaged plan is subject to

- the satisfaction of all of the conditions,
- there being no material breach of the covenants,
- there being no material adverse change, except to the extent such a change results from us filing the prepackaged plan, and
- court approval of the necessary documents, which have not been materially changed.

The noteholders that are a party to the amended support agreement may waive any of the foregoing requirements.

Termination

Unless the restructuring has been completed, the amended support agreement, and the obligations of the parties to the amended support agreement, will terminate upon the earliest to occur of:

- the termination or expiration of the exchange offer;
- an order of a court or other governmental or regulatory authority that makes the exchange offer illegal or otherwise restricts, prevents or prohibits the exchange offer or the prepackaged plan in a way that cannot be reasonably remedied by us;
- a material breach by us of our obligations under the amended support agreement;
- the lenders for the credit facility having accelerated any amounts owed thereunder;
- February 15, 2004, if by then neither the exchange offer has been completed nor the prepackaged plan has been filed with the bankruptcy court;
- April 1, 2004;
- our failure to correct a material misstatement within 10 business days of receiving notice of it;
- a material alteration by us of the terms of the restructuring that was not permitted under the terms of the amended support agreement;
- written notice from us of our intention to terminate the amended support agreement;

- the prepackaged plan proceeding being dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or a trustee being appointed in the prepackaged plan bankruptcy case; and
- the occurrence of specified events that constitute a material adverse change.

The foregoing is a summary of the material terms of the amended support agreement. It does not describe all the terms of the amended support agreement and is qualified by reference to the complete

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support agreement amendment that are attached as Annex A to this proxy statement. We urge you to read the amended support agreement in its entirety.

Registration Rights Agreement

Upon consummation of the restructuring, the noteholders that are a party to the support agreement, including its amendment or any joinder, will hold restricted shares of our common stock and new notes. Consequently, we have agreed, pursuant to a registration rights agreement, to file, and to use our reasonable best efforts to effect and maintain the effectiveness of, a shelf registration statement to permit such noteholders resale of our common stock and new notes. If the resale registration statement is not effective on the issue date of the new notes, we have agreed to pay these holders liquidated damages from and including the issue date through the date on which the resale registration statement is declared effective in an amount equal to 1.00% per annum for each $1,000 in aggregate principal amount of new notes issued to such holders. These registration rights, together with our obligation to pay liquidated damages, will terminate if we pursue our restructuring by filing the prepackaged plan. Such holders will be listed as selling security holders in the resale registration statement, and to the extent any such holder is a broker dealer under the federal securities laws, such holder will be deemed an underwriter.

Opinion of Broadview International, LLC

Broadview rendered its opinion to the AirGate board of directors that, as of September 23, 2003, and based upon and subject to the factors and assumptions discussed in its opinion, the Exchange Offer is fair, from a financial point of view, to the current holders of AirGate common stock.

The full text of the written opinion of Broadview, dated September 23, 2003, which includes the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this prospectus and solicitation statement as Annex B and is incorporated in this prospectus and solicitation statement by reference. AirGate stockholders should read the opinion in its entirety. Broadview provided its opinion for the information and assistance of the AirGate board of directors in connection with its consideration of the transaction contemplated by the amended support agreement. Broadview s opinion is not a recommendation of how any holder of AirGate common stock should vote with respect to the exchange offer.

In connection with rendering the opinion and performing its related financial analyses, Broadview reviewed, among other things:

- the amendment to AirGate s credit facility;
- a draft of the support agreement, dated September 23, 2003;
- a draft of the Registration Statement on Form S-4, dated September 23, 2003;
- AirGate s annual report on Form 10-K for the fiscal year ended September 30, 2002;
- AirGate s quarterly reports on Form 10-Q for the periods ended December 31, 2002, March 31, 2003 and June 30, 2003;
- unaudited financial statements for the one-month period ended July 31, 2003, prepared and furnished to Broadview by AirGate management; and
- certain internal financial and operating information for AirGate, including financial projections through September 30, 2008, prepared and furnished to Broadview by AirGate management, which financial projections include two scenarios, one in which the restructuring is not consummated and one in which the restructuring is consummated.

Broadview also held discussions with members of senior management of AirGate regarding their assessment of the strategic rationale for, and the potential benefits of, the exchange offer and the past and current business operations, financial condition and future prospects of the AirGate on a standalone and an a restructured basis. In addition, Broadview:

- reviewed the recent reported closing prices and trading activity for AirGate s common stock;
- reviewed the recent trading activity for the old notes;
- reviewed the recent trading activity for AirGate senior secured debt;
- reviewed and discussed with AirGate management recently announced restructuring transactions, involving other companies Broadview deemed comparable;
- compared certain aspects of the financial performance of AirGate with public companies Broadview deemed comparable;
- compared certain terms of the proposed new notes with those terms of debt for other public companies Broadview deemed comparable;
- reviewed a liquidation analysis prepared by AirGate management; and
- conducted other financial studies, analyses and investigations as Broadview deemed appropriate for the purposes of their opinion.

In rendering its opinion, Broadview relied, without independent verification, on the accuracy and completeness of all the financial and other information (including without limitation the representations and warranties contained in the amended credit facility and support agreement) that was publicly available or furnished to Broadview by AirGate or its advisors. Broadview assumed that the financial projections that were provided to Broadview by AirGate management were reasonably prepared and reflected the best available estimates and good faith judgments of the management of AirGate as to the future performance of AirGate. Broadview also assumed that the liquidation analysis that was prepared by AirGate management was reasonably prepared and reflected the best available estimate and good faith judgment of AirGate management as to the amount that would be available for distribution to creditors and the amount that would be available for distribution to current stockholders in a liquidation. Broadview neither made nor obtained an independent valuation of AirGate s assets. In addition, Broadview relied upon the representations of management and assumed, without independent verification, that there has been no material change in the assets, financial condition, business or prospects of AirGate and its subsidiaries since the date of the most recent financial statements made available to Broadview.

In rendering its opinion, Broadview considered that on February 23, 2003 AirGate s wholly owned subsidiary, iPCS, Inc., and its subsidiaries filed a Chapter 11 bankruptcy petition. For the purpose of rendering its opinion, Broadview, with the permission of management, ascribed no value to the equity of iPCS, Inc. held by AirGate.

Broadview relied on the advice of counsel to AirGate and AirGate management as to all legal, tax and financial reporting matters with respect to it and the restructuring. In rendering its opinion, Broadview considered the financial and liquidity issues facing AirGate if it does not consummate the restructuring. In this regard, Broadview assumed, based on financial estimates received from AirGate management, that if the restructuring is not consummated, AirGate could cease to be in compliance with its covenants under its existing credit agreement during the fiscal year ended September 30, 2005 and could face significant liquidity issues at such time.

Broadview s opinion expresses no opinion as to the price at which the common stock or debt securities of AirGate will trade at any time or as to the effect of the restructuring on the trading price of the common stock. Broadview s opinion is necessarily based upon market, economic, financial and other conditions as they exist and can be evaluated as of the date of this opinion, and any change in such conditions would require a reevaluation of this opinion.

Broadview s opinion speaks only as of the date rendered. It is understood that the opinion is for the information of the Board of Directors in connection with its consideration of the exchange offer and does not constitute a recommendation to AirGate as to whether it should pursue any component of the restructuring, including the exchange offer, nor does it constitute a recommendation to any holder of the common stock as to how such holder should vote on any component of the restructuring.

Broadview expressed no opinion as to the merits of any alternative transaction to the restructuring, including without limitation, any potential alternative third party transaction or a liquidation of AirGate, or as to whether any such alternative transaction might produce value to AirGate s current stockholders in an amount in excess of that contemplated by the restructuring. In addition, Broadview s opinion addresses only the fairness, from a financial point of view, to the current holders of common stock, of the exchange offer, and Broadview did not express any opinion as to any other component of the restructuring. Broadview s opinion also does not address or take into account any contemplated issuance of shares or grant of options to AirGate management in connection with or following the restructuring. Broadview s opinion does not address AirGate s capital structure, ability to satisfy its obligations, ability to access the capital markets for future financing requirements, or solvency, in each case at any time, including currently and following the consummation of the restructuring. Broadview s opinion also does not address AirGate s underlying business decision to enter into the restructuring.

The following is a summary explanation of the various sources of information, valuation methodologies and transaction analyses employed by Broadview in evaluating the fairness of the exchange offer from a financial point of view to existing holders of AirGate common stock. The analyses performed to evaluate the fairness of the exchange offer are based on, among other things, a Status Quo (Status Quo) scenario, in which AirGate does not consummate the restructuring and exchange offer and a Pro Forma (Pro Forma) scenario, in which AirGate does consummate the restructuring and exchange offer, assuming a 100% acceptance rate, per the terms and conditions outlined in AirGate s draft registration statement (of which this prospectus and solicitation statement is a part) provided to Broadview on September 23, 2003.

Broadview employed analyses based on: (1) historical stock price performance; (2) public company comparables; (3) discounted cash flows; (4) proceeds to be received in a liquidation; (5) financial performance versus required covenants; (6) expected dilution to existing stockholders following the exchange offer; (7) avoided cash interest and principal repayments; (8) public debt comparables; and (9) the implied premium to AirGate s share price.

Public Market Pricing

Broadview considered the recent public market price of AirGate s common stock at various points in time as one indicator to derive the current market value of AirGate. Broadview calculated the aggregate market value of AirGate s equity by multiplying AirGate s closing stock price on September 22, 2003 by its shares outstanding on a fully diluted basis as of September 20, 2003, which was 25,939,836 (which Broadview understood not to be materially different than AirGate s shares outstanding as of the date of its opinion). Based upon a closing stock price of $2.85, the resulting market value of equity, as calculated by Broadview, totaled $73.9 million as of September 22, 2003.

Pre-Transaction Valuation Analyses (the Status Quo Equity Value)

To determine the estimated equity value of AirGate before taking the exchange offer into consideration, Broadview also used the following methodologies: (1) a public company comparables approach; and (2) a discounted cash flow analysis. Broadview also considered the liquidation analysis provided to Broadview by AirGate management that assumes an orderly, yet expedited sale, such as an auction or other similar-type sale, of the assets of AirGate. The analyses required studies of the overall market, economic and industry conditions in which AirGate operates and the historical operating results of AirGate.

Public Company Comparables Analysis. Ratios of AirGate s Equity Market Capitalization, adjusted for cash and debt when appropriate, to selected historical and projected operating metrics indicate the value public equity markets place on companies in a particular market segment. Broadview reviewed five

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public company comparables in the wireless service provider market with a Debt/ Equity ratio greater than 2.5x (debt-to-equity defined as the book value of debt less cash and cash equivalents divided by the market value of equity) from a financial point of view including each company s:

Trailing Twelve Month (TTM) Service Revenues;

TTM Service Revenues growth rate versus the prior twelve months; Projected Calendar Year (CY) 2003 Service Revenues;

Projected CY 2004 Service Revenues; TTM EBITDA (EBITDA meaning Earnings Before Interest Taxes Depreciation and Amortization) divided by TTM Service Revenues (EBITDA Margin);

TTM EBITDA;

Last Quarter Annualized EBITDA (LQA defined as the last quarter multiplied by four);

Projected CY 2003 EBITDA; Projected CY 2004 EBITDA;

Number of Subscribers; Number of Covered POPs (defined as the total population in the markets served);

Equity Market Capitalization (EMC);

Cash and Equivalents (Cash);

Total Debt;

Net Debt (defined as Total Debt minus Cash);

Total Market Capitalization (TMC defined as EMC plus Net Debt);

TMC/ TTM Service Revenues ratio;

TMC/ Projected CY 2003 Service Revenues ratio;

TMC/ Projected CY 2004 Service Revenues ratio;

TMC/ TTM EBITDA ratio;

TMC/ LQA EBITDA ratio;

TMC/ Projected CY 2003 EBITDA ratio;

TMC/ Projected CY 2004 EBITDA ratio;

TMC/ Number of Subscribers ratio (TMC/ Subscribers); and

Debt/ Equity ratio (defined as Net Debt divided by EMC)

In order of ascending Debt/ Equity, the public company comparables consist of:

Sprint PCS;

Triton PCS Holdings;

Centennial Communications Corp.;

US Unwired, Inc.; and

Rural Cellular Corporation.

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AirGate exhibits the following multiples on a stand alone basis as of September 22, 2003:

	AirGate Multiple
TMC/TTM Service Revenues	1.4x
TMC/Projected CY 2003 Service Revenues	1.4x
TMC/Projected CY 2004 Service Revenues	1.3x
TMC/TTM EBITDA	15.2x
TMC/LQA EBITDA	7.7x
TMC/Projected CY 2003 EBITDA	8.3x
TMC/Projected CY 2004 EBITDA	8.0x
TMC/Subscribers	$1,209

These comparables exhibit the following median multiples and ranges for the applicable multiples:

	Median Multiple	Range of Multiples	AirGate Multiples
TMC/ TTM Service Revenues	2.4x	1.6x - 4.2x	1.4x
TMC/ Projected CY 2003 Service Revenues	2.1x	1.4x - 2.3x	1.4x
TMC/ Projected CY 2004 Service Revenues	2.0x	2.0x - 2.1x	1.3x
TMC/ TTM EBITDA	8.6x	7.2x - NM	15.2x
TMC/ LQA EBITDA	7.8x	6.5x - 13.0x	7.7x
TMC/ Projected CY 2003 EBITDA	7.9x	6.9x - NM	8.3x
TMC/ Projected CY 2004 EBITDA	6.4x	6.3x - 8.0x	8.0x
TMC/ Subscribers	$1,947	$1,425 - $2,563	$1,209

These comparables imply the following values and ranges for implied value of AirGate:

	Median Implied Equity Value per Share	Range of Implied Equity Value per Share	AirGate Share Price as of Sept. 22, 2003
TMC/TTM Service Revenues	$14.91	$4.98 - $37.05	$2.85
TMC/Projected CY 2003 Service Revenues	$11.35	$3.47 - $13.46	
TMC/Projected CY 2004 Service Revenues	$12.27	$11.53 - $13.00	
TMC/TTM EBITDA	NEG(1)	$(6.06) - NM	
TMC/LQA EBITDA	$ 2.96	$0.11 - $14.41	
TMC/Projected CY 2003 EBITDA	$ 2.14	$0.02 - NM	
TMC/Projected CY 2004 EBITDA	NEG(1)	$(0.72) - $2.84	
TMC/Subscribers	$13.20	$5.87 - $21.86	

(1) NEG indicates negative value.

The public company comparables were selected from the *Broadview Barometer,* a proprietary database of publicly traded information technology (IT), communications and media companies maintained by Broadview and broken down by industry segment.

Discounted Cash Flow Analysis. Broadview examined the Status Quo Equity Value of AirGate based on projected free cash flow estimates for the company derived from projections provided by management. The free cash flow estimates were generated from financial projections from December 31, 2003 through September 30, 2008, which were prepared by management.

Assuming a range of terminal value EBITDA multiples from 6.0x to 10.0x, and a range of discount rates of 10.8% to 19.8%, Broadview calculated implied total Status Quo Equity Values for the Company ranging from ($1.52) to $8.52 price per share with a $1.24 price per share assuming a terminal EBITDA

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multiple of 7.0x and discount rate of 15.8%. Broadview determined the discount rate based on an analysis of the weighted average cost of capital of selected public companies in the wireless service provider industry, making adjustments they deemed appropriate in light of AirGate s capital structure, and determined terminal EBITDA multiples based on trading multiples of those companies.

Liquidation Analysis. AirGate management provided Broadview with a liquidation analysis that assumes an orderly, yet expedited sale, such as an auction or other similar-type sale of the assets of AirGate occurring over a period of six months starting June 30, 2003. The computations were based on AirGate s estimated balance sheet information as of June 30, 2003. The analysis assumes that all operating entities cease to operate as a going concern and the network is shut down. It is assumed that all leased facilities are closed and surrendered to the landlords and that the machinery and equipment will be removed from these locations and sold by a professional liquidator.

The liquidation analysis was based upon a number of estimates and assumptions that are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of AirGate. Therefore, there can be no assurance that the assumptions and estimates employed in analyzing the liquidation values of the AirGate s assets will result in an accurate estimate of the proceeds that would be realized were the company to undergo an actual liquidation. The liquidation analysis does not purport to be a valuation of AirGate s assets and is not necessarily indicative of the values that may be realized in an actual liquidation that could, therefore, vary materially from the estimates provided above.

The liquidation analysis yielded estimated liquidation proceeds available for distribution of $64.1 million to $135.3 million. As of June 30, 2003, the Company had liabilities in excess of $641.4 million.

Post-Transaction Valuation Analyses (the Pro Forma Equity Value)

To determine the estimated Pro Forma Equity Value of AirGate after taking the exchange offer into consideration, Broadview primarily used the following methodologies: (1) a public company comparables multiple approach; and (2) a discounted cash flow analysis. The analyses required studies of the overall market, economic and industry conditions in which AirGate operates and the historical operating results of AirGate.

Public Company Comparables Analysis. Broadview reviewed eight public company comparables in the wireless service provider market with a Debt/ Equity ratio less than 2.5x from a financial point of view including each company s:

TTM Service Revenues;

TTM Service Revenues growth rate versus the prior twelve months;

Projected CY 2003 Service Revenues;

Projected CY 2004 Service Revenues;

TTM EBITDA Margin;

TTM EBITDA;

LQA EBITDA;

Projected CY 2003 EBITDA;

Projected CY 2004 EBITDA;

Number of Subscribers;

Number of Covered POPs;

EMC;

Cash;

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Total Debt;

Net Debt;

TMC;

TMC/TTM Service Revenues ratio;

TMC/ Projected CY 2003 Service Revenues ratio;

TMC/ Projected CY 2004 Service Revenues ratio;

TMC/ TTM EBITDA ratio;

TMC/ LQA EBITDA ratio;

TMC/ Projected CY 2003 EBITDA ratio;

TMC/ Projected CY 2004 EBITDA ratio;

TMC/ Subscribers; and

Debt/ Equity ratio.

In order of ascending Debt/ Equity, the public company comparables consist of:

US Cellular Corporation;

Nextel Communications, Inc.;

AT&T Wireless, Inc.;

Nextel Partners;

Western Wireless Corp.;

Alamosa Holdings, Inc.;

Dobson Communications; and

UbiquiTel, Inc.

These comparables exhibit the following median multiples and ranges for the applicable multiples:

	Median Multiple	Range of Multiples	AirGate Multiples
TMC/TTM Service Revenues	3.0x	1.6x - 4.4x	1.4x
TMC/Projected CY 2003 Service Revenues	2.5x	1.6x - 3.8x	1.4x
TMC/Projected CY 2004 Service Revenues	2.7x	1.5x - 3.5x	1.3x
TMC/TTM EBITDA	8.9x	6.2x - NM	15.2x

TMC/LQA EBITDA	8.1x	5.6x - 25.3x	7.7x
TMC/Projected CY 2003 EBITDA	8.3x	5.8x - 22.3x	8.3x
TMC/Projected CY 2004 EBITDA	7.5x	5.2x - 11.4x	8.0x
TMC/Subscribers	$2,214	$837 - $3,317	$1,209

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These comparables imply the following values and ranges for implied value of AirGate:

	Median Implied Equity Value per Share	Range of Implied Equity Value per Share
TMC/TTM Service Revenues	$11.32	$3.90 - $19.24
TMC/Projected CY 2003 Service Revenues	$ 8.64	$4.24 - $15.80
TMC/Projected CY 2004 Service Revenues	$10.59	$4.19 - $15.10
TMC/TTM EBITDA	NEG(1)	$(1.57) - NM
TMC/LQA EBITDA	$ 3.25	$0.86 - $19.91
TMC/Projected CY 2003 EBITDA	$ 2.93	$0.67 - $15.57
TMC/Projected CY 2004 EBITDA	$ 2.40	$0.23 - $6.02
TMC/Subscribers	$ 9.09	$0.57 - $15.90

(1) NEG indicates negative value.

The public company comparables were selected from the *Broadview Barometer,* a proprietary database of publicly traded information technology, communications and media companies maintained by Broadview and broken down by industry segment.

Discounted Cash Flow Analysis. Broadview examined the Pro Forma Equity Value of AirGate based on projected free cash flow estimates for the company derived from projections provided by management. The free cash flow estimates were generated from financial projections from December 31, 2003 through September 30, 2008, which were prepared by management.

Assuming a range of terminal value EBITDA multiples from 6.0x to 10.0x, and a range of discount rates of 10.4% to 20.0% Broadview calculated implied total Pro Forma Equity Values for AirGate ranging from $0.55 to $5.13 price per share with a $2.98 price per share assuming a terminal EBITDA multiple of 7.0x and a discount rate of 10.4%. Broadview determined the discount rate based on an analysis of the weighted average cost of capital of selected public companies in the wireless service provider industry and determined terminal EBITDA multiples based on the trading multiples of the companies.

Comparison of Status Quo and Implied Equity Value

The table below compares the implied equity value in the Status Quo and Pro Forma scenarios based on the median metrics of the Public Company Comparables and the Discounted Cash Flow Analysis in each.

Implied Equity Value Based on Median Information:

	Status Quo Implied Equity Value Per Share	Pro Forma Implied Equity Value Per Share	AirGate Share Price as of Sept. 22, 2003
TMC/TTM Service Revenues	$14.91	$11.32	$2.85
TMC/Projected CY 2003 Service Revenues	$11.35	$ 8.64	
TMC/Projected CY 2004 Service Revenues	$12.27	$10.59	
TMC/TTM EBITDA	NEG(1)	NEG(1)	
TMC/LQA EBITDA	$ 2.96	$ 3.25	
TMC/Projected CY 2003 EBITDA	$ 2.14	$ 2.93	
TMC/Projected CY 2004 EBITDA	NEG(1)	$ 2.40	
TMC/Subscribers	$13.20	$ 9.09	
Discounted Cash Flows Analysis	$ 1.24(2)	$ 2.98(3)	

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(1) NEG indicates negative value.

(2) Assumes a terminal EBITDA multiple of 7.0x and discount rate of 15.8%.

(3) Assumes a terminal EBITDA multiple of 7.0x and discount rate of 10.4%.

In arriving at its conclusion that the transaction is fair from a financial point of view to existing AirGate shareholders, Broadview, among other things, compared the results of the Status Quo Equity Value analysis and the Pro Forma Equity Value analysis. The Pro Forma and Status Quo analyses are calculated using median ratios to determine an implied equity value per share and Broadview reviewed the implied equity values per share in the context of the full range of implied equity values per share in each specific analysis. With respect to the Public Company Comparables and Discounted Cash Flow analyses, Broadview noted that the AirGate implied share value for the Pro Forma scenario (*i.e.*, taking the exchange offer into account) was below the range of values implied for the Status Quo scenario (*i.e.*, not taking the exchange offer into account) for some metrics and above the range of values implied for the Status Quo scenario for other metrics. Metrics for which the AirGate implied share value for the Pro Forma scenario was above the range of implied share value for the Status Quo scenario generally supported Broadview s fairness determination. Metrics for which the AirGate implied share value for the Pro Forma scenario was below the range of implied share value for the Status Quo scenario generally did not support Broadview s fairness determination. However, in reaching its fairness conclusion, Broadview considered the results of all analyses taken as a whole and did not necessarily place any particular reliance or weight on any individual analysis, but instead concluded that its analyses, taken as a whole, supported its determination. In addition, in analyzing an individual analysis, Broadview considered all metrics together and did not place any particular reliance or weight on any individual metric, but instead concluded that all of the analyses, taken as a whole, supported its determination. No company utilized in the Public Company Comparables analysis as a comparison is identical to AirGate. In comparing the Status Quo scenario with the Pro Forma scenario, Broadview made numerous assumptions with respect to the companies comprising the comparables set and general economic conditions, many of which are beyond the control of AirGate.

Covenant Analysis

Using financial estimates for AirGate as provided by management, Broadview analyzed AirGate s ability to comply with the financial covenants contained in its existing credit agreement, dated August 16, 1999, and the amended credit agreement, dated August 29, 2003.

Broadview noted that based on this analysis, AirGate is likely to be in default of its covenants under the existing credit agreement during the fiscal year beginning October 1, 2004 under the Status Quo forecast and would likely be in compliance with its amended credit agreement covenants for the foreseeable future if the proposed restructuring is completed. The fact that AirGate is likely to be in compliance with its covenants under the amended credit facility and not in compliance with the existing credit facility generally supported Broadview s fairness determination. Broadview made particular note of the results of this analysis because, in Broadview s view, AirGate s ability to comply with its credit facility covenants is a material factor in AirGate s ability to continue operating. However, in reaching its fairness conclusion, Broadview considered the results of all analyses taken as a whole and did not necessarily place any particular reliance or weight on any individual analyses, but instead concluded that its analyses, taken as a whole, supported its determination.

Dilution Analysis

Broadview considered the dilution to existing AirGate stockholders that would result from the exchange offer. Prior to the exchange offer, the existing AirGate stockholders own 100% of the outstanding common stock. Following the exchange offer, assuming 100% acceptance of the offer and excluding any issuance of new equity to management, current stockholders would own 44% of the outstanding common stock and current holders of old notes would own 56% of the outstanding common stock. The dilution

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from incremental shares issued impacted the Pro Forma scenario analyses Broadview conducted and was considered when Broadview compared Pro Forma Equity Values with Status Quo Equity Values. Because the terms of any incentive compensation package have not been determined as of the date of its opinion, Broadview excluded the potential future impact of such incentives in conducting its analyses.

Present Value of Avoided Payments of Cash Interest and Principal

Broadview considered the interest payments and principal repayments that would be avoided, assuming a 100% acceptance rate in the exchange offer, and the present value of such cash interest payments and principal repayments as a result of the exchange offer. For this analysis, Broadview first calculated the cumulative amount of cash interest and principal that will be avoided by AirGate as a result of the exchange offer.

Status Quo Cash Interest Payments and Principal Repayment from April 1, 2005 to Maturity:

Principal Amount of Debt:	$	300.0	million
Coupon:		13 1/2%	
Total Cumulative Interest on Old Note through Maturity:	$	202.5	million

Pro Forma Cash Interest Payments and Principal Payment from August 31, 2004 through Maturity:

Principal Amount of Debt:	$	160.0	million
Coupon:		9 3/8%	
Total Cumulative Cash Interest through Maturity:	$	85.0	million

The resulting cumulative cash savings is $257.5 million, with $117.5 million in cash interest savings and $140.0 million in principal savings. Broadview then estimated a present value of avoided cash interest and principal of between $103.8 million and $159.0 million, by applying a range of discount rates from 10% to 20% to the cumulative savings. Broadview considered the impact of such savings on AirGate s ability to comply with the covenants under the amended credit facility, compared with AirGate s potential future defaults with respect to the covenants under the existing credit facility. The cumulative cash interest savings and its positive effect on AirGate s ability to comply with the covenants under the amended credit facility generally supported Broadview s determination of fairness. However, in reaching its fairness conclusion, Broadview considered the results of all analyses taken as a whole and did not necessarily place any particular reliance or weight on any individual analyses, but instead concluded that its analyses, taken as a whole, supported its determination.

Market Value of New Debt to be Received by Noteholders

Broadview estimated the range of market value for the new notes to be received by holders of the old notes in the exchange offer based on the high, low and median spread of market yields to the current yield curve for securities issued by the U.S. Government exhibited by the public debt of the companies listed below. The companies used in the analysis have similar credit ratings to AirGate, on a Status Quo basis, and the public debt of these companies have comparable credit terms including maturity date, coupon and call provisions to the new notes to be issued in the proposed exchange offer. For the purpose of this analysis Broadview assumed that AirGate s credit rating remains the same following consummation of the exchange offer.

In order of descending Yield-to-Worst ratio, the public company debt comparables consist of:

1) US Unwired, Inc.;

2) Alamosa Holdings, Inc.;

3) Rural Cellular Corporation;

4) Centennial Communications Corp.;

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5) Western Wireless Corp.; and

6) Nextel Partners.

This analysis resulted in an implied market value of the New Notes ranging from $134.0 million to $158.8 million.

This analysis indicated that the implied market value of the new notes to be received by noteholders in the exchange offer is lower than the value attributed to the debt in the exchange offer. The market value of the new notes to be received impacted the Pro Forma analyses Broadview conducted and was considered when Broadview compared the Pro Forma analyses with the Status Quo analyses. Broadview noted that there can be no assurance as to the market price of the New Notes at any time in the future.

Implied Premium Analysis

Broadview reviewed both the book value and the market value of the old notes to be exchanged in the exchange offer to derive an implied price per share for the common stock to be issued in the exchange. As of December 31, 2003, the old notes will have a book value of $262.1 million. Holders of the old notes who participate in the exchange offer (which is assumed at 100%) will receive a package of new notes and AirGate common stock in the exchange. The new notes will have a book value of $160.0 million and based on the market value of publicly traded comparable debt a market value ranging from $134.0 million to $158.8 million, with a median value of $143.5 million. The implied value of the equity issued in the transaction, which will represent 56% of the pro forma AirGate equity ownership based on a 100% acceptance rate, is the difference between the value of the old notes and the value of the new notes. Based on the proposed 56% equity ownership by the holders of the old notes, AirGate will issue 33.0 million shares in the transaction, yielding an implied value per share of $3.09. In conducting the analyses, Broadview considered that the market value of the old notes was less than the book value. Using the market value of the old notes and the median value for the new notes, the analysis yielded an implied value per share of $2.43.

Broadview, among other things, compared the implied value per share with the recent closing share prices for AirGate one day prior to the date of the opinion, twenty trading days prior to the date of the opinion and sixty trading days prior to the date of the opinion. Broadview also compared the implied value per share with AirGate s twenty trading day average closing share price and AirGate s sixty trading day average closing share price. Each of the comparisons was performed on both a book value and market value basis. The implied premium analysis yields a range of premiums ranging from (14.6%) to 153.5%.

Broadview noted that seven of the eight analyses yielded a positive premium over an appropriate range of historical AirGate share prices. Issuing equity at an implied premium generally supported Broadview s fairness determination because the exchange offer would result in AirGate noteholders effectively paying an implied price for AirGate equity greater than the market price for such shares. However, in reaching its fairness conclusion, Broadview considered the results of all analyses taken as a whole and did not necessarily place any particular reliance or weight on any individual analyses, but instead concluded that its analyses, taken as a whole, supported its determination.

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Determination of AirGate Implied Share Price and Implied Premium

	Based on Book Value of Debt	Based on Estimated Market Value of Debt
Old Notes	$ 262.1 million	$ 223.8 million(1)
Old Notes Swapped For New Notes	$ 160.0 million	$ 143.5 million(2)
Implied Value of Old Notes Exchanged For AirGate Equity	$ 102.1 million	$ 80.3 million
New AirGate Shares Issued in the Exchange Offer (represents 56% of pro forma shares outstanding)	33.0 million	33.0 million
Implied Equity Value per share of Common Stock	$ 3.09	$ 2.43
Implied Premium/(Discount) to AirGate Share Price 1 Day Prior to the Date of the Opinion	8.5%	(14.6)%
Implied Premium/(Discount) to AirGate Share Price 20 Trading Days Prior to the Date of the Opinion	99.5%	56.9%
Implied Premium/(Discount) to AirGate Share Price 60 Trading Days Prior to the Date of the Opinion	153.5%	99.4%
Implied Premium/(Discount) to AirGate Share Price 20 Trading Days Average Prior to the Date of the Opinion	28.0%	0.7%
Implied Premium/(Discount) to AirGate Share Price 60 Trading Days Average Prior to the Date of the Opinion	80.0%	41.6%

(1) Market value derived from Bloomberg based on a price of 75% of par.

(2) Derived using median financial metrics from similar debt issues of wireless service providers with comparable credit ratings, maturity, principal, coupon and call provisions. The analysis yielded a range of market values for the notes of $134.0 million to $158.8 million.

Conclusion

Taken together, the information and analyses employed by Broadview lead to Broadview s overall opinion that the exchange offer is fair from a financial point of view to the current holders of common stock.

No company used in the public comparable valuations described above is identical to AirGate. Accordingly, an examination of the results of the analyses described above necessarily involves complex considerations and judgments concerning differences in financial and operating characteristics of the businesses and other facts that could affect the public trading value of the companies to which they are being compared.

The preparation of a fairness opinion is a complex process not susceptible to partial analysis or summary descriptions. The summary presented above is not a complete description of the analyses underlying Broadview s opinion or its presentation to the Board of Directors. Broadview believes that its analyses and the summary presented above must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all such analyses and factors, could create an incomplete view of the processes underlying the analyses set forth in its opinion.

In performing its analyses, Broadview made numerous assumptions with respect to industry performance, general business, financial, market and economic conditions and other matters, many of which are beyond the control of AirGate. The analyses that Broadview performed are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by the analyses. The analyses were prepared solely as part of Broadview s analysis of the fairness, from a financial point of view, of the exchange offer, to stockholders of AirGate as of September 23, 2003. The analyses do not purport to be appraisals or to reflect the prices at which a

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company might actually be sold or the prices at which any securities may trade at the present time or at any time in the future.

Pursuant to the letter agreements dated February 27, 2003 and September 24, AirGate engaged Broadview to act as its financial advisor in connection with a potential financial restructuring. Pursuant to the terms of the engagement letter, Broadview will receive a fee of $4,129,283, $600,000 which was payable upon delivery of its fairness opinion and $3,529,383 which is payable upon completion of the exchange offer. AirGate also paid Broadview a retainer fee of $75,000 per month and agreed to reimburse Broadview for all out-of-pocket expenses and costs incurred in connection with the engagement including, but not limited to, travel, document production and similar costs. Such expenses also included fees from lawyers and other professional advisers that were engaged during the process. Broadview will be paid its retainer fee for a period of 10 months and one half the total amount (or $375,000) will be credited against the fee deliverable upon completion of the exchange offer.

Recommendation of the Board of Directors; Reasons of the Board of Directors

At a meeting held on September 23, 2003, our board of directors unanimously approved the terms of the restructuring and the transactions contemplated thereby and recommended that our stockholders approve the recapitalization plan and vote to accept the prepackaged plan. In evaluating the proposed restructuring, our board of directors identified and considered, among other things, the following factors:

- the benefits that would be produced by the recapitalization, including:
  - an improved capital structure and the lower financial risk resulting from the reduction of required debt payments;
  - approximately $257.5 million lower debt-service payments, including an approximate $140 million reduction in principal amount;
  - improved liquidity metrics that are comparable to other wireless industry companies;
  - improved position to seek the best outsourcing alternatives and the optimal financial relationship with Sprint;
  - an exchange of equity for debt that compares favorably to market measures;
  - a debt/ equity ratio that is superior to that of all other Sprint affiliates;
  - that we would be better able to carry out our business plan;
  - the absence of any other viable restructuring alternatives;
  - the fact that, because the transaction results from extensive negotiations with our noteholders, the recapitalization has the greatest chance of being completed and has the most favorable impact on us;
- potential for defaults on covenants under our credit facility and uncertainty regarding our ability to provide operating cash flow to pay debt service and fund capital needs in 2005 and beyond;
- the recapitalization plan presents a timely opportunity for us to improve our financial position;
- that the retention by the existing holders of our common stock of 44% of the outstanding common stock after the recapitalization represents the maximum amount of common stock that holders of old notes would agree to permit such holders to retain in connection with the recapitalization plan;
- the opinion of Broadview as to the fairness from a financial point of view of the recapitalization plan to our common stockholders;
- the fact that the support agreement may be terminated by us at any time if our board of directors determines that such termination is in our best interests;

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the fact that the issuance of options for 10% of our outstanding stock after the completion of the recapitalization was negotiated with holders of 50% of the old notes;

the fact that our completion of the restructuring is subject to approval by our stockholders; and

the fact that, as a result of the transactions contemplated by the recapitalization plan, our creditors will own 56% of our common stock.

With respect to the dilutive effect of the restructuring to our existing shareholders, the board considered the fact that, although existing stockholders would retain approximately 44% of our outstanding common stock in the restructuring, they would nevertheless retain majority control of the expanded board of directors. With respect to the economic dilutive effect, the board considered the fact that our existing stockholders would have approximately 44% of the benefit of a $140 million reduction in debt ($100 million on an accreted basis). Based on the issuance of 33,000,000 shares of common stock in the restructuring, the per share price to the holders of old notes would be between $3.00 and $4.50. Given that our common stock was then trading well below that range (the 30-day average trading price was less than $2.00 per share), the board also considered the fact that, based on discussions with potential equity investors, no third party would offer as much for our common stock. Consequently, the board viewed dilution to our stockholders as the cost of holding a smaller piece of a less financially risky (from a credit standpoint) enterprise.

The board of directors did not attempt to quantify, rank or otherwise assign relative weights to the factors considered in connection with its evaluation of the restructuring and the transactions contemplated thereby. Furthermore, the board of directors did not undertake to make any specific determination as to whether any particular factor was essential to its decision to approve the terms of the restructuring. Instead, the board of directors conducted an overall analysis of the factors described above, which included a thorough discussion of all of the above-listed factors with its legal and financial advisors. Nevertheless, the board considered the fact that certain metrics in Broadview s fairness analysis under the status quo and pro forma scenarios favored the status quo. However, the board also considered the fact that, under the status quo scenario, AirGate would not resolve its liquidity issues, and, as a result, AirGate s ability to continue as a going concern would be more uncertain. This consideration weighed heavily in the board s evaluation of the restructuring. The board of directors relied on the experience and expertise of our financial advisors for quantitative analysis of the financial terms of the restructuring. In considering the factors described above, individual directors may have given different weights to different factors or reached different conclusions as to whether a specific factor weighed in favor of or against approving the restructuring.

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THE RECAPITALIZATION PLAN

The public and private exchange offers and related consent solicitations are a part of the recapitalization plan for achieving our financial restructuring goals. Consummation of the recapitalization plan will result in decreased principal and interest payments represented by our notes. The recapitalization plan consists of the several concurrent transactions described below. Consummation of each of the following transactions is conditioned upon the consummation of the others as set forth below. The percentage ownerships set forth below after giving effect to the financial restructuring assume that all of the old notes are exchanged for common stock and new notes in the exchange offer and, unless otherwise stated, do not give effect to any shares of our common stock that may be issued pursuant to stock options or warrants.

Exchange Offers and Consent Solicitations

General

Concurrently with the solicitation of proxies subject to this proxy statement, we are conducting an exchange offer and consent solicitation by means of a separate registration statement filed with the SEC. Subject to the terms and conditions set forth in that registration statement, we are offering to exchange our outstanding old notes for an aggregate of:

- 56% of the shares of our common stock to be issued and outstanding immediately after the financial restructuring (33,041,516 shares of our common stock based on the number of currently outstanding shares, without giving effect to the reverse stock split), and

- $160,000,000 in aggregate principal amount of our new notes,

in each case assuming the exchange of all outstanding old notes.

We will issue:

- 110.1384 shares of our pre-reverse split common stock and

- $533.33 in aggregate principal amount of our new notes

in exchange for each $1,000 of principal amount due at maturity of our old notes properly tendered in the exchange offer and not withdrawn.

The shares of our common stock and new notes issued in the public exchange offer to holders who did not execute the support agreement will not be restricted securities. Pursuant to a support agreement, we previously made a private offer to holders of approximately 67% of our outstanding old notes to exchange their old notes for shares of our common stock and new notes on terms and conditions substantially identical to those in this public exchange offer. Consummation of the public and private exchange offers will occur concurrently, following satisfaction of all conditions. The shares of our common stock and the new notes issued in the private exchange offer will be restricted securities under the Securities Act of 1933, as amended, and will contain a legend to this effect. We will file a resale registration statement to permit the resale of these securities immediately following consummation of the recapitalization plan.

In connection with each exchange offer, we are soliciting the consent of each holder of old notes to:

- amend the indenture under which the old notes were issued to eliminate substantially all of the restrictive covenants contained therein and release all collateral securing our obligations thereunder and

- waive any defaults and events of default under the old notes indenture that may occur in connection with the recapitalization plan.

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Conditions to the Exchange Offers

Completion of each exchange offer is subject to several conditions, which our board of directors may waive, subject to certain exceptions. These conditions include:

- the minimum tender condition;
- any legal proceeding, government action or other adverse development that enjoins the consummation of the exchange offer or the acquisition of old notes tendered pursuant to the exchange offer or prohibits, prevents, restricts, limits or delays closing of the exchange offer or that would have a material adverse effect on the exchange offer;
- satisfaction of the conditions set forth in the private exchange offer;
- the conditions to our and the holders of old notes obligations under the amended support agreement have been satisfied, as described in The Restructuring Description of Support Agreement;
- the indenture governing the new notes is acceptable to us; and
- any consents or approvals from government bodies and authorities which are required in order to complete the exchange offer have been obtained.

Waiver of the condition described in the first bullet point above also requires waiver by a majority of the notes held by parties to the amended support agreement. Our board of directors may waive the remaining conditions, in whole or in part, at any time prior to the tender expiration date in its sole discretion.

The completion of the exchange offers are also conditioned upon the approval by our shareholders of certain aspects of the restructuring transactions pursuant to this proxy statement.

Terms of the New Notes

General. In the exchange offer, we are proposing to issue up to $160.0 million aggregate principal amount of our new 9 3/8% senior subordinated secured notes due September 1, 2009. We expect to pay accrued interest on these new notes semi-annually in arrears, on each January 1 and July 1, beginning July 1, 2004. Interest will begin to accrue beginning January 1, 2004.

Ranking. The new notes will be our senior subordinated secured obligations and will rank junior in right of payment to all of our senior indebtedness, including debt under our credit facility, and senior in right of payment to all of our future indebtedness that by its terms is junior in right of payment to the new notes. As of September 30, 2003, after giving effect to the restructuring, we would have had approximately $311.5 million of outstanding indebtedness, $151.5 million of which would have been senior to the new notes.

Collateral. The new notes will be secured by second-priority liens, subject to certain exceptions and permitted liens, on substantially all of our and our subsidiaries existing and after-acquired assets. A first-priority lien has been granted to the lenders under our credit facility on these assets.

Optional Redemption. On or after January 1, 2006, we may redeem the new notes in whole or in part, at specified redemption prices, plus accrued and unpaid interest, if any, to the redemption date.

Guarantee. Our obligations under the new notes will be guaranteed on a senior subordinated secured basis by all of our restricted subsidiaries, which we collectively refer to as the guarantors. The guarantees will be senior subordinated secured obligations of the guarantors and will rank junior to all existing and future indebtedness of the guarantors that is not, by its terms, expressly subordinated in right of payment to the guarantees.

Restrictive Covenants. The indenture governing the new notes limits our ability and the ability of our restricted subsidiaries to: incur more debt; create liens; repurchase stock and make certain investments; pay dividends, make loans or transfer property or assets; enter into sale and leaseback transactions; transfer or dispose of substantially all of our assets; and engage in transactions with affiliates. These covenants are subject to a number of important exceptions and limitations.

Amendments to Our Credit Facility

In contemplation of the proposed restructuring, AirGate entered into an amendment to its credit facility on November 30, 2003. Certain changes are effective and are used in determining compliance with financial covenants for periods ended December 31, 2003 and thereafter. Such changes include clarifying certain ambiguities and modifying the definition of, and period for calculating, EBITDA for purposes of complying with financial covenants under the credit facility. Management expects these changes to generally assist AirGate in complying with these financial covenants for the next twelve months. Other changes are not effective unless the restructuring is completed. For a discussion of amendments to our credit facility, see Description of Our Credit Facility below.

Proxy Solicitation

Concurrently with each exchange offer and consent solicitation, we are soliciting proxies from our stockholders by means of this proxy statement which we have filed with the SEC.

iPCS Stock Trust

In connection with the issuance of common stock in the exchange offers described in this proxy statement, we will undergo an ownership change for tax purposes. An ownership change of AirGate would also have caused an ownership change of our former wholly-owned subsidiary, iPCS, Inc. This ownership change could have a detrimental effect on the value of certain net operating losses of iPCS and, consequently, could subject the restructuring to the automatic stay protection of the iPCS bankruptcy court. In order to prevent such an effect and after approval of the iPCS bankruptcy court, on October 17, 2003, we transferred all of our shares of iPCS common stock into a trust organized under Delaware law. Our stockholders of record on the date of transfer to the trust are the trust s sole beneficiaries. Such stockholders interest in the trust is equal to their percentage ownership of AirGate on the date of transfer. Distributions from the trust will only be made if directed by the iPCS board of directors and/or approved by the bankruptcy court overseeing iPCS s bankruptcy case.

Acceptance of Prepackaged Plan

We are also soliciting acceptances of the prepackaged plan from our common stockholders in conjunction with this proxy solicitation. The effectiveness of the acceptances of the prepackaged plan is not conditioned on the consummation of any transactions under the recapitalization plan. Acceptance of the prepackaged plan by our stockholders (Class 7) requires the affirmative vote of the holders of at least two-thirds in amount of the equity interests in such class who cast votes with respect to the prepackaged plan.

As of September 30, 2003, our officers and directors and their affiliates held 359,103 shares of our common stock, which represents approximately 1.38% of the issued and outstanding common stock as of that date.

If our shareowners approve the restructuring and we receive the required acceptances of the pre-packaged plan by holders of our old notes but we do not receive sufficient acceptances of the pre-packaged plan from our stockholders, we may seek confirmation of the prepackaged plan using the cram down provisions of the Bankruptcy Code. In any such case, we would pursue a plan in which our stockholders and noteholders would receive consideration similar to that specified by the recapitalization plan, including the issuance of common stock and new notes in exchange for the old notes.

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CAPITALIZATION

The following table sets forth our capitalization, as of September 30, 2003, (1) on an actual basis and (2) on an as adjusted basis to give effect to the recapitalization plan and the disposition of iPCS; in each case using the September 30, 2003 closing bid price for our common stock of $2.42. The as adjusted data assumes that all of our outstanding old notes are exchanged for common stock and new notes in the public and private exchange offers.

To understand this table better, you should review Selected Consolidated Historical Financial Data, Unaudited Pro-Forma Condensed Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes included elsewhere in this proxy statement.

	As of September 30, 2003	
	Actual	As Adjusted
	(In thousands) (Unaudited)	
Cash and cash equivalents	$ 54,078	$ 36,030
Debt securities		
Credit Facility	151,297	141,297
Old notes	252,987	
New notes offered hereby		169,001
Total debt securities	404,284	310,298
Stockholders deficit		
Common stock, $0.01 par value, 150,000,000 authorized, 25,961,191 shares issued and outstanding(1)	259	117
Additional paid-in capital	923,888	1,001,013
Preferred stock, 5,000,000 shares authorized, no shares issued and outstanding(2)		
Deferred stock-based compensation	(203)	(203)
Accumulated deficit	(1,300,941)	(1,120,537)
Total stockholders deficit	(376,997)	(119,610)
Total capitalization	$ 81,365	$ 226,718

(1) 30,000,000 shares authorized and 11,800,542 shares issued and outstanding after the recapitalization plan, after giving effect to the reverse stock split.

(2) 1,000,000 shares authorized and no shares issued and outstanding after the recapitalization plan, after giving effect to the reverse stock split.

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ACCOUNTING TREATMENT OF THE RESTRUCTURING

The exchange of old notes for our common stock and new notes will be accounted for as a troubled debt restructuring pursuant to Statement of Financial Accounting Standards No. 15, Accounting by Debtors and Creditors for Troubled Debt Restructurings (SFAS No. 15) and EITF 02-4 Determining whether Debtor s Modification or Exchange of Debt is within the scope of FASB Statement No. 15. Our outstanding old notes will be exchanged for 33,041,516 shares of our common stock, before giving effect to the reverse stock split, and $160.0 million in aggregate principal amount of new notes. In accordance with SFAS No. 15, a gain will not be recorded upon the restructuring as the adjusted carrying amount of the old notes is less than the maximum future cash payments (including future interest payments) of the new notes. The effects of the restructuring will therefore be accounted for as a reduction in the effective interest rate on the new notes.

Transaction costs for the recapitalization plan are estimated to be $8.9 million, including financial advisor and dealer/ manager, legal, filing, printing and accounting fees. Costs attributable to the debt are estimated to be $5.9 million and will be expensed as incurred; costs of approximately $3.0 million will be offset against the carrying amount of the common stock based on values as of September 30, 2003. In addition, approximately $0.8 million relates to financing costs capitalized on the balance sheet, which were incurred in connection with amendments to the credit facility. These costs will be amortized to interest expense over the remaining life of the credit facility. Additionally, the Company may be required to pay alternative minimum taxes because net operating loss carry forwards can offset only 90% of alternative minimum taxable income. The Company has estimated alternative minimum taxes due of $0.6 million.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA

The selected statement of operations and balance sheet data presented below is derived from our audited consolidated financial statements as of and for the nine months ended September 30, 1999, and the years ended September 30, 2000, 2001, 2002 and 2003. Such data includes the results of operations of iPCS subsequent to November 30, 2001, its date of acquisition, but as a result of iPCS s Chapter 11 bankruptcy filing, does not include the results of operations of iPCS subsequent to February 23, 2003. iPCS filed for Chapter 11 bankruptcy on February 23, 2003. On October 17, 2003, the Company irrevocably transferred all of its shares of iPCS common stock to a trust organized under Delaware law. As of the date of this transfer, the disposition will be accounted for as a discontinued operation.

In accordance with generally accepted accounting principles, iPCS s results of operations are not consolidated with AirGate s results subsequent to February 23, 2003 and the accounts of iPCS are recorded as an investment using the cost method of accounting. The comparability of our results for the year ended September 30, 2003 to the year ended September 30, 2002 are affected by the exclusion of the results of iPCS for the periods prior to November 30, 2001 and after February 23, 2003. As a result, the exclusion of iPCS results after February 23, 2003 has the effect of lowering revenues and expenses in the year ended September 30, 2003 compared to the year ended September 30, 2002, which is partially offset by the exclusion of results for iPCS prior to November 30, 2001.

The data set forth below should be read in conjunction with our consolidated financial statements and accompanying notes and Management s Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this proxy statement.

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	For the Nine Months Ended September 30, 1999	For the Year Ended September 30, 2000	2001	2002(1)	2003(2)
	(In thousands, except per share subscriber data)				
Consolidated Statements of Operations Data:					
Revenues:					
Service revenue	$	$ 9,746	$ 105,976	$ 327,365	$ 309,377
Roaming revenue		12,338	55,329	111,162	86,672
Equipment revenue		2,981	10,782	18,030	13,988
Total revenues		25,065	172,087	456,557	410,037
Operating expenses:					
Cost of services and roaming (exclusive of depreciation as shown separately below)		27,993	116,909	311,303	243,191
Cost of equipment		5,685	20,218	43,592	28,419
Selling and marketing		28,539	71,706	116,610	68,186
General and administrative	5,619	15,338	17,141	25,851	30,228
Depreciation and amortization of property and equipment	622	12,034	30,621	70,197	60,662
Amortization of intangible assets			46	39,332	6,821
Loss on disposal of property and equipment				1,074	1,969
Impairment of goodwill(3)				460,920	
Impairment of property and equipment(3)				44,450	
Impairment of intangible assets(3)				312,043	
Total operating expenses	6,241	89,589	256,641	1,425,372	439,476
Operating loss	(6,241)	(64,524)	(84,554)	(968,815)	(29,439)
Interest income		9,321	2,463	590	229
Interest expense	(9,358)	(26,120)	(28,899)	(57,153)	(55,547)
Income tax benefit				28,761	
Net loss	$ (15,599)	$ (81,323)	$ (110,990)	$ (996,617)	$ (84,757)
Basic and diluted net loss per share of common stock	$ (4.57)	$ (6.60)	$ (8.48)	$ (41.96)	$ (3.27)
Basic and diluted weighted-average outstanding common shares	3,414,276	12,329,149	13,089,285	23,751,507	25,908,414
Consolidated Other Data:					
Number of subscribers at end of period		56,689	235,025	554,833	359,460
Ratio of earnings to fixed charges(4)					
Consolidated Statements of Cash Flows Data:					
Cash provided by (used in) operating activities	$ (2,473)	$ (41,609)	$ (40,850)	$ (45,242)	$ 42,548
Cash used in investing activities	(15,706)	(152,397)	(71,772)	(78,716)	(35,975)
Cash provided by (used in) financing activities	274,783	(6,510)	68,528	142,143	15,030

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	As of September 30,				
	1999	2000	2001	2002(1)	2003(2)
Consolidated Balance Sheet Data (at period end):					
Cash and cash equivalents	$258,900	$ 58,384	$ 14,290	$ 32,475	$ 54,078
Total current assets	262,470	74,315	56,446	129,773	101,265
Property and equipment, net	44,206	183,581	209,326	399,155	178,070
Total assets	317,320	268,948	281,010	574,294	290,916
Total current liabilities(5)	31,507	37,677	61,998	494,173	88,747
Long-term debt and capital lease obligations	157,967	180,727	266,326	354,828	386,509
Total liabilities(6)	189,474	219,075	333,734	867,241	667,913
Stockholders equity (deficit)	127,846	49,873	(52,724)	(292,947)	(376,997)

(1) On November 30, 2001, AirGate acquired iPCS, Inc. (together with its subsidiaries, iPCS). The accounts of iPCS are included as of September 30, 2002, and the results of operations subsequent to November 30, 2001.

(2) On February 23, 2003, iPCS, Inc. filed for Chapter 11 bankruptcy protection. Prior to February 23, 2003 the accounts and results of operation of iPCS were consolidated. Subsequent to filing bankruptcy, iPCS is no longer consolidated and is accounted for on the cost basis. On October 17, 2003, AirGate irrevocably transferred all of its shares of iPCS common stock into a trust organized under Delaware law. As of the date of the transfer, the disposition will be accounted for as a discontinued operation and the iPCS investment (approximately $184 million credit balance carrying amount) will be eliminated and recorded as a non-monetary gain from disposition of discontinuing operations.

(3) As a result of the Company s fair value assessments, total impairment charges of $817,413 were recorded for the impairment of goodwill and tangible and intangible assets related to iPCS as of September 30, 2002.

(4) Earnings were inadequate to cover fixed charges for the nine months ended September 30, 1999, the years ended September 30, 2000, 2001, 2002, and 2003 by $15,599, $81,323, $110,990, $1,025,378, and $84,757, respectively.

(5) As a result of an event of default, the iPCS credit facility and iPCS notes have been classified as a current liability as of September 30, 2002.

(6) As of September 30, 2003, includes the investment of iPCS of $184.1 million accounted for on the cost basis.

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PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)
(Dollars in thousands)

The following unaudited pro forma condensed consolidated financial statements show the effects of the recapitalization plan (including the 1 for 5 reverse stock split) and iPCS disposition in the historical consolidated balance sheet and consolidated statements of continuing operations of the Company. The unaudited pro forma condensed consolidated financial statements assume 100% of our old notes are exchanged for common stock and new notes in the public and private exchange offers. We have presented this set of unaudited pro forma condensed consolidated financial statements to demonstrate the significant financial aspects of the recapitalization plan and iPCS disposition.

We derived this information from the audited consolidated financial statements of the Company for the years ended September 30, 2002 and 2003. These historical financial statements used in preparing the pro forma condensed consolidated financial statements are summarized and should be read in conjunction with our complete historical financial statements and related notes contained elsewhere in this proxy statement.

The unaudited pro forma condensed consolidated statements of continuing operations for the years ended September 30, 2002 and 2003 give effect to the recapitalization plan as if it had been consummated at the beginning of the earliest period presented, and as if the disposal of iPCS occurred on November 30, 2001. The unaudited pro forma condensed consolidated balance sheet as of September 30, 2003 gives effect to the recapitalization plan and disposal of iPCS as if they took place September 30, 2003.

On November 30, 2001, AirGate acquired iPCS, Inc. (together with its subsidiaries, iPCS). Subsequent to November 30, 2001, the results of operations and accounts of iPCS were consolidated with the Company in accordance with generally accepted accounting principles. On February 23, 2003, iPCS, Inc. filed a Chapter 11 bankruptcy case in the United States Bankruptcy Court for the Northern District of Georgia for the purpose of effecting a court-administered reorganization. Subsequent to February 23, 2003, the Company no longer consolidated the accounts and results of operations of iPCS and the accounts of iPCS were recorded as an investment using the cost method of accounting. On October 17, 2003, AirGate irrevocably transferred all of its shares of iPCS common stock into a trust organized under Delaware law. On the date of the transfer, iPCS will be accounted for as a discontinued operation and the iPCS investment (approximately $184 million credit balance carrying amount) will be eliminated and recorded as a non-monetary gain from disposition of discontinuing operations.

Transaction costs for the recapitalization plan are estimated to be $8.9 million, including financial advisor and dealer/ manager, legal, filing, printing and accounting fees. Costs attributable to the debt are estimated to be $5.9 million and will be expensed as incurred; costs of approximately $3.0 million related to the issuance of common stock will be offset against the carrying amount of the common stock. In addition, approximately $0.8 million relates to financing costs capitalized on the balance sheet, which were incurred in connection with amendments to the credit facility. These costs will be capitalized and amortized to interest expense over the remaining life of the credit facility. Additionally, the Company may be required to pay alternative minimum taxes because net operating loss carry forwards can offset only 90% of alternative minimum taxable income. The Company has estimated alternative minimum taxes due of $0.6 million. The pro forma condensed consolidated balance sheet gives effect to these payments, and the effect has not been reflected in the pro forma condensed consolidated statement of operations.

The pro forma adjustments, which are based upon available information and upon certain assumptions that we believe are reasonable, are described in the accompanying notes. The final amount allocated to common stock to be received by the noteholders and resulting effect on the future effective interest rate will be different and the difference may be material.

Under the prepackaged plan, except for holders of below market warrants and stock options (whose interests will be cancelled under the prepackaged plan), the holders of our debt and equity securities (as well as the holders of all other claims) will receive the same consideration in exchange for their claims and interests as they would receive in the recapitalization plan. Estimated expenses of the prepackaged

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plan would range from approximately $5.0 million to $10.0 million, depending on the length of time for the plan of reorganization to be approved.

The Company is providing the unaudited pro forma condensed consolidated financial information for illustrative purposes only. The unaudited pro forma condensed consolidated financial statements do not purport to represent what our consolidated financial position or results of operations would have actually been had the recapitalization plan or iPCS disposition in fact been completed on that date, or to project our results of operations for any future period.

AIRGATE PCS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

As of September 30, 2003
(Dollars in thousands)

	Historical	Pro Forma Adjustments: Debt Restructuring	Pro Forma Adjustments: iPCS Disposition/ Reverse Stock Split	Pro Forma
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 54,078	$ (6,543)(1) (905)(2) (600)(3) (10,000)(4)	$	$ 36,030
Accounts receivable, net	26,994			26,994
Receivable from Sprint	15,809			15,809
Inventories	2,132			2,132
Prepaid expense	2,107			2,107
Other current assets	145			145
Total current assets	101,265	(18,048)		83,217
Property and equipment, net	178,070			178,070
Credit facility financing costs	2,656	755 (2)		3,411
Old notes financing costs	4,026	(4,026)(2)		
Direct subscriber activation costs	3,907			3,907
Other assets	992			992
Total assets	$ 290,916	$(21,319)	$	$ 269,597
LIABILITIES AND STOCKHOLDERS DEFICIT				
Current Liabilities:				
Accounts payable	$ 5,945	$	$	$ 5,945
Accrued expenses	12,104	(605)(1)		11,499
Payable to Sprint	45,069			45,069
Deferred revenue	7,854			7,854
Current maturities of long-term debt	17,775			17,775
Total current liabilities	88,747	(605)		88,142
Long-term debt, excluding current maturities				
Credit Facility	133,522	(10,000)(4)		123,522
Senior Notes	252,987	(4,026)(2) (79,960)(5)		169,001
Total Long-Term Debt	386,509	(93,986)		292,523
Deferred subscriber activation fee revenue	6,701			6,701
Other long-term liabilities	1,841			1,841
Investment in iPCS(10)	184,115		(184,115)(10)	

Total liabilities	667,913	(94,591)	(184,115)	389,207
Stockholders deficit:				
Common stock	259	330 (5)	(472)(8)	117
Additional paid-in-capital	923,888	79,630 (5) (2,977)(1)	472 (8)	1,001,013
Unearned stock compensation	(203)			(203)
Accumulated deficit	(1,300,941)	(2,961)(1) (600)(3) (150)(2)	184,115 (10)	(1,120,537)
Total stockholders deficit	(376,997)	73,272	184,115	(119,610)
Total liabilities and stockholders deficit	$ 290,916	$ (21,319)	$	$ 269,597

See Accompanying Footnotes to Pro Forma Condensed Consolidated Financial Statements.

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AIRGATE PCS, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT

OF CONTINUING OPERATIONS
For the Year Ended September 30, 2002
(Dollars in thousands, except for share and per share amounts)

		Pro Forma Adjustments		
	Historical	Debt Restructuring	iPCS Disposition/ Intercompany Eliminations	Pro Forma
Revenues:				
Service revenue	$327,365	$	$(100,861)(11)	$226,504
Roaming revenue	111,162		(37,149)(11)	74,013
Equipment revenue	18,030		(5,003)(11)	13,027
	456,557		(143,013)	313,544
Operating Expenses:				
Cost of service and roaming	311,303		(106,996)(11)	204,307
Cost of equipment	43,592		(15,968)(11)	27,624
Selling and marketing	116,610		(37,511)(11)	79,099
General and administrative	25,851		(7,708)(11)	18,143
Depreciation and amortization of property and equipment	70,197		(29,513)(11)	40,684
Amortization of intangible assets	39,332		(39,252)(11)	80
Loss on disposal of property and equipment	1,074			1,074