

ALAMOSA HOLDINGS INC
Form 424B3
May 02, 2002

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ALAMOSA HOLDINGS, INC.

30,649,990 SHARES OF COMMON STOCK

SUPPLEMENT NO. 6 TO
PROSPECTUS

This prospectus supplement relates to the resale by selling stockholders of up to 30,649,990 shares of our common stock that the selling stockholders acquired from us in connection with our acquisitions of companies formerly owned by them. We will not receive any of the proceeds from the sale of any of these shares by the selling stockholders.

You should read this prospectus supplement in conjunction with the prospectus dated September 28, 2001, filed by us with the Securities and Exchange Commission, prospectus supplement no. 1, filed by us with the Securities and Exchange Commission on October 18, 2001, prospectus supplement no. 2, filed by us with the Securities and Exchange Commission on October 30, 2001, prospectus supplement no. 3, filed by us with the Securities and Exchange Commission on November 14, 2001, prospectus supplement no. 4, filed by us with the Securities and Exchange Commission on February 28, 2002 and prospectus supplement no. 5, filed by us with the Securities and Exchange Commission on March 29, 2002. All terms used in this prospectus supplement have the meaning assigned to them in the prospectus. Our common stock is traded on The New York Stock Exchange under the symbol "APS." On May 1, 2002, the last reported sale price of one share of our common stock was \$5.04.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This supplement is part of the prospectus and must accompany the prospectus to satisfy prospectus delivery requirements under the Securities Act of 1933, as amended.

The date of this prospectus supplement is May 2, 2002.

RECENT DEVELOPMENTS

On May 1, 2002 we issued the following press release:

Client: Alamosa Holdings Inc.

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FOR IMMEDIATE RELEASE

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ALAMOSA ACHIEVES KEY MILESTONE REPORTS POSITIVE EBITDA FOR FIRST QUARTER 2002

Sequential Subscriber Base Grew 9.5 Percent; Sequential Subscriber Revenue Grew 17 Percent

May 1, 2002 - LUBBOCK, TEXAS - Alamosa Holdings, Inc. (NYSE:APS), the largest Sprint PCS (NYSE: PCS) Network Partner based on number of subscribers, today reported results for the first quarter ended March 31, 2002. Highlighting the results was the Company's report of positive earnings before interest, taxes, depreciation and amortization, or EBITDA, of \$3.1 million. For the quarter ended March 31, 2002, the company also reported approximately 48,000 net subscriber additions, bringing total subscribers to approximately 551,000. Subscriber revenues for the first quarter were \$93.5 million, up 17 percent over the fourth quarter of 2001 and up 207 percent over the first quarter of 2001.

"We are very pleased to report positive EBITDA for the first quarter, one quarter ahead of our expectations," stated David E. Sharbutt, Chief Executive Officer of Alamosa Holdings, Inc. "It is a positive sign for our future and confirms our strong belief in the wireless industry. We are very focused on executing our business plan, including continued improvement in our operating efficiencies to become free cash flow positive in 2003."

SIGNIFICANT FIRST QUARTER ACCOMPLISHMENTS

During the quarter ended March 31, 2002, Alamosa accomplished the following:

- o Achieved positive EBITDA of \$3.1 million, after 10 quarters of operations, including the integration of three acquisitions.
- o Added 48,000 subscribers to end with approximately 551,000 subscribers, the largest of all Sprint PCS Network Partners based on number of subscribers.

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- o Achieved over 50 percent conversion of its network for the planned launch of 3G in mid-year 2002.

OPERATING HIGHLIGHTS

Total revenue for the first quarter of 2002 was approximately \$128.4 million, including subscriber revenue of \$93.5 million, roaming revenue of \$26.6 million and product sales of \$8.3 million. Subscriber revenue represented a 17 and 207 percent increase over the fourth quarter of 2001 and the first quarter of 2001, respectively. Roaming revenue was down 17 percent compared to fourth quarter of 2001, due to the decrease in reciprocal roaming rates that began on January 1, 2002 and seasonal volume of inbound traffic. Compared with the first

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quarter of 2001, roaming revenues increased 133 percent. Earnings before interest, taxes, depreciation and amortization, or EBITDA, was a positive \$3.1 million for the first quarter of 2002 compared to a negative \$21.5 million for the fourth quarter of 2001 and a negative \$16.7 million for the first quarter of 2001. EBITDA before selling and marketing expenses was a positive \$37.8 million for the quarter. Net loss for the first quarter totaled \$28.1 million or \$0.30 per share compared to a net loss of \$47.9 million or \$0.52 per share in the fourth quarter of 2001 and a net loss of \$27.4 million or \$0.38 per share for the first quarter of 2001, respectively.

Average monthly revenue per user (ARPU) was \$76 for the first quarter including roaming and \$59 without roaming, as compared to \$84 and \$60 for the fourth quarter of 2001 and \$82 and \$60 for the first quarter of 2001, respectively. Churn was approximately 3.1 percent for the first quarter of 2002 as compared to 3.3 percent for the fourth quarter of 2001. Average MOU's per month in the first quarter were approximately 575 per subscriber including roaming and approximately 445 minutes without roaming. Total system MOU's were approximately 916 million for the first quarter, compared to 746 million for the fourth quarter. Inbound roaming minutes were approximately 211 million while outbound roaming minutes totaled approximately 182 million. Licensed POPs were approximately 15.8 million and covered POPs totaled approximately 11.5 million.

At the end of the first quarter, Alamosa had cash, cash equivalents and short-term investments totaling approximately \$151 million, including restricted cash of approximately \$71 million. Committed, but unused credit facilities at the end of the first quarter were \$25 million. Capital expenditures for the first quarter were approximately \$17 million.

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OUTLOOK

For the second quarter of 2002, Alamosa expects net subscriber additions to be approximately 30,000 to 35,000. Full year 2002 net subscriber additions are expected to remain in the range of 190,000 to 210,000 with year-end subscribers in the range of approximately 693,000 to 713,000.

Alamosa expects to be EBITDA positive for the remaining quarters of 2002 with the full year EBITDA in the range of approximately \$15 to \$20 million. Capital expenditures for 2002 are expected to be approximately \$ 85 million.

Churn in the second quarter is expected to be similar to the first quarter of 2002 and gradually decline through the second half of 2002. ARPU without roaming for the full year is expected to remain in the range of \$59 to \$61. ARPU with roaming is expected to continue to decline due to roaming revenue being spread over an increasing subscriber base.

Alamosa has scheduled a conference call for Thursday, May 2, 2002 at 9:00 a.m. Eastern Time (8:00 a.m. Central Time). To participate in the call, dial 303-262-2130 at least ten minutes before the call begins and ask for the Alamosa conference call. Investors, analysts and the general public will also have the opportunity to listen to the conference call free over the Internet by visiting the company's Web site at www.alamosapcs.com. To listen to the live call online, please visit the Web site at least 15 minutes early to register, download and install any necessary audio software. For those who cannot listen to the live Web cast, an audio archive will be available shortly after the call on the company's website at www.alamosapcs.com for approximately 90 days. A telephonic replay of the conference call will be available through May 9, 2002, and may be accessed by calling 303-590-3000 and using the passcode 464992. For more information, please contact Karen Roan at Easterly Investor Relations at 713-529-6600 or email karen@easterly.com.

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(Minimum requirements to listen to broadcast: The Windows Media Player software, downloadable free from <http://www.microsoft.com/windows/windowsmedia/EN/default.asp>, and at least a 28.8Kbps connection to the Internet. If you experience problems listening to the broadcast, send an email to isproducers@prnewswire.com.)

Alamosa Holdings, Inc. is the largest Sprint PCS Network Partner based on number of subscribers. Alamosa has the exclusive right to provide digital wireless mobile communications network services under Sprint's PCS division throughout its designated territory located in Texas, New Mexico, Oklahoma, Arizona, Colorado, Utah, Wisconsin, Minnesota, Missouri, Washington, Oregon, Arkansas, Kansas, Illinois and California. Alamosa's territory includes licensed population of 15.8 million residents.

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ABOUT SPRINT

Sprint operates the nation's largest all-digital, all-PCS wireless network, already serving the majority of the nation's metropolitan areas including more than 4,000 cities and communities across the country. Sprint has licensed PCS coverage of more than 280 million people in all 50 states, Puerto Rico and the U.S. Virgin Islands. In mid-2002, Sprint will launch its 3G network nationwide, delivering faster speeds and advanced applications on Sprint PCS Phones and devices. For more information, visit the Sprint PCS web site at <http://www.sprintpcs.com>. Sprint PCS is a wholly-owned tracking group of Sprint Corporation trading on the NYSE under the symbol "PCS." Sprint is a global communications company with more than 80,000 employees worldwide and \$23 billion in annual revenues and is widely recognized for developing, engineering and deploying state-of-the art network technologies.

Statements contained in this news release that are forward-looking statements, such as statements containing terms such as can, may, will, expect, plan, and similar terms, are subject to various risks and uncertainties. Such forward looking statements are made pursuant to the "safe-harbor" provisions of the private Securities Litigation Reform Act of 1995 and are made based on management's current expectations or beliefs as well as assumptions made by, and information currently available to, management. A variety of factors could cause actual results to differ materially from those anticipated in Alamosa's forward-looking statements, including the following factors: Alamosa's dependence on its affiliation with Sprint PCS; shifts in populations or network focus; changes or advances in technology; changes in Sprint's national service plans or fee structure with us; change in population; difficulties in network construction; increased competition in our markets; failure to consummate anticipated acquisitions and adverse changes in financial position, condition or results of operations. For a detailed discussion of these and other cautionary statements and factors that could cause actual results to differ from Alamosa's forward-looking statements, please refer to Alamosa's filings with the Securities and Exchange Commission, especially in the "risk factors" sections of Alamosa's Annual Report on Form 10-K for the year ended December 31, 2001 and in subsequent filings with the Securities and Exchange Commission.

- tables to follow -

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ALAMOSA HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(dollars in thousands, except per share data)

| | FOR THE THREE MONTHS ENDED MARCH 31, | |
|--|--|----------|
| | 2002 | 2001 |
| Revenues: | | |
| Subscriber revenues | \$93,498 | \$30,508 |
| Roaming revenues | 26,568 | 11,411 |
| | ----- | ----- |
| Service revenues | 120,066 | 41,919 |
| Product sales | 8,321 | 3,915 |
| | ----- | ----- |
| Total revenue | 128,387 | 45,834 |
| | ----- | ----- |
| Costs and expenses: | | |
| Cost of service and operations | 78,529 | 32,469 |
| Cost of products sold | 14,117 | 8,033 |
| Selling and marketing | 28,897 | 18,282 |
| General and administrative expenses (excluding non-cash compensation of \$0 and \$183, respectively) | 3,735 | 3,723 |
| Depreciation and amortization | 24,863 | 11,936 |
| Non-cash compensation | -- | 183 |
| | ----- | ----- |
| Total costs and expenses | 150,141 | 74,626 |
| | ----- | ----- |
| Loss from operations | (21,754) | (28,792) |
| Interest and other income | 1,333 | 5,721 |
| Interest expense | (24,854) | (14,716) |
| | ----- | ----- |
| Net loss before income tax benefit and extraordinary item | (45,275) | (37,787) |
| Income tax benefit | 17,142 | 13,858 |
| | ----- | ----- |
| Net loss before extraordinary item | (28,133) | (23,929) |
| Loss on debt extinguishment, net of tax benefit of \$0 and \$1,969, respectively | -- | (3,503) |
| | ----- | ----- |

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| | | |
|--|-------------|-------------|
| Net loss | \$ (28,133) | \$ (27,432) |
| | ===== | ===== |
| Net loss per common share, basic and diluted: | | |
| Net loss before extraordinary item | \$ (0.30) | \$ (0.33) |
| Loss on debt extinguishment, net of tax | -- | (0.05) |
| | ----- | ----- |
| Net loss | \$ (0.30) | \$ (0.38) |
| | ===== | ===== |
| Weighted average common shares outstanding, basic and diluted | 92,832,354 | 71,598,745 |
| | ===== | ===== |
| Average revenue per user without roaming (ARPU without roaming) | \$59 | \$60 |
| Average revenue per user with roaming (ARPU with roaming) | \$76 | \$82 |
| Cost per gross addition | \$340 | \$418 |

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ALAMOSA HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share information)

| | MARCH 31, 2002 (UNAUDITED) | DECEMBER 31, 2001 |
|-------------------------------------|-------------------------------|-------------------|
| | ----- | ----- |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$77,779 | \$104,311 |
| Short term investments | 1,300 | 1,300 |
| Restricted cash | 51,687 | 51,687 |
| Customer accounts receivable, net | 45,637 | 42,311 |
| Receivable from Sprint | 10,306 | 9,311 |
| Interest receivable | 567 | 2,311 |
| Inventory | 5,166 | 4,311 |
| Prepaid expenses and other assets | 6,423 | 4,311 |
| Deferred customer acquisition costs | 6,470 | 5,311 |
| Deferred tax asset | 8,112 | 8,311 |
| | ----- | ----- |
| Total current assets | 213,447 | 234,311 |

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| | | |
|---|-------------|---------|
| Property and equipment, net | 457,306 | 455 |
| Debt issuance costs, net | 35,517 | 36 |
| Restricted cash | 19,770 | 43 |
| Goodwill, net | 291,635 | 293 |
| Intangible assets, net | 518,908 | 528 |
| Other noncurrent assets | 6,439 | 6 |
| | ----- | ----- |
| Total assets | \$1,543,022 | \$1,598 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$28,838 | \$44 |
| Accrued expenses | 28,224 | 29 |
| Payable to Sprint | 13,305 | 16 |
| Interest payable | 9,287 | 22 |
| Deferred revenue | 17,840 | 15 |
| Current installments of capital leases | 724 | |
| | ----- | ----- |
| Total current liabilities | 98,218 | 127 |
| | ----- | ----- |
| Long term debt: | | |
| Capital lease obligations | 2,055 | 1 |
| Other noncurrent liabilities | 7,132 | 7 |
| Senior secured debt | 200,000 | 187 |
| 12 7/8% senior discount notes | 244,753 | 237 |
| 12 1/2% senior notes | 250,000 | 250 |
| 13 5/8% senior notes | 150,000 | 150 |
| Deferred tax liability | 80,317 | 98 |
| | ----- | ----- |
| Total long term debt | 934,257 | 932 |
| | ----- | ----- |
| Total liabilities | 1,032,475 | 1,060 |
| | ----- | ----- |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value; 10,000,000 shares authorized; no shares issued | -- | |
| Common stock, \$.01 par value; 290,000,000 shares authorized, 92,915,470 and 92,786,497 shares issued and outstanding, respectively | 929 | |
| Additional paid-in capital | 799,766 | 799 |
| Accumulated deficit | (289,504) | (261) |
| Accumulated other comprehensive income, net of tax | (644) | |
| | ----- | ----- |
| Total stockholders' equity | 510,547 | 537 |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$1,543,022 | \$1,598 |
| | ===== | ===== |

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