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ALAMOSA HOLDINGS INC  
Form 424B3  
October 30, 2001

Filed pursuant to Rule 424(b) (3)  
Registration File No. 333-66358

PROSPECTUS SUPPLEMENT No. 2  
(To the Prospectus dated September 28, 2001)

ALAMOSA HOLDINGS, INC.

30,649,990 SHARES OF COMMON STOCK

SUPPLEMENT NO. 2 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, and prospectus supplement no. 1, filed by us with the Securities and Exchange Commission on October 18, 2001. All terms used in this prospectus supplement have the meaning assigned to them in the prospectus. Our common stock is traded on The Nasdaq National Market under the symbol "APCS." On October 29, 2001, the last reported sale price of one share of our common stock was \$14.50.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITY 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 October 30, 2001.

RECENT DEVELOPMENTS

THIRD QUARTER OPERATING RESULTS. We added approximately 88,000 new subscribers in the third quarter, as our subscribers grew to approximately 404,000 at September 30, 2001, an increase of approximately 28% over total subscribers at June 30, 2001. Subscribers at September 30, 2001 were approximately 313,000 greater than subscribers at the end of the third quarter of 2000 for an increase of approximately 344%. Our churn rate for the third quarter of 2001 was approximately 2.7% compared to the second quarter churn rate of 2.4%.

During the quarter ended September 30, 2001, we also added over 150 new base stations, increasing the total number of stations in service to approximately 1,250, and we increased our covered POPs from 10 million

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at the end of the second quarter to approximately 10.8 million at the end of the third quarter.

Total revenue for the third quarter of 2001 was \$107.8 million including subscriber revenue of \$67.5 million, roaming revenue of \$31.6 million and product sales of \$8.7 million. Subscriber revenue represented a 27% and 318% increase over the second quarter of 2001 and the third quarter of 2000, respectively. Roaming revenue grew 31% and 554% over the second quarter of 2001 and the third quarter of 2000, respectively. Earnings before interest, taxes, depreciation and amortization, or EBITDA, excluding non-cash compensation were negative \$11.3 million and negative \$37.1 million for the quarter and nine months ended September 30, 2001. We reported net losses of \$37.7 million and \$99.4 million for the quarter and the nine months ended September 30, 2001, compared to net losses of \$17.4 million and \$45.9 million for the quarter and the nine months ended September 30, 2000.

Average monthly revenue per user ("ARPU") was \$92 for the third quarter including roaming and \$63 without roaming, as compared to \$91 and \$62 for the second quarter of 2001 and \$88 and \$68 for the third quarter of 2000. Average minutes of use per month in the third quarter were approximately 510 per average subscriber including roaming and approximately 400 without roaming. Total system minutes of use were approximately 581 million for the quarter, compared to 420 million for the previous quarter. Minutes of use for the quarter included approximately 153 million inbound roaming minutes from Sprint PCS and other PCS customers. Outbound minutes of use on other PCS networks totaled approximately 123 million.

At the end of the quarter, Alamosa had cash and cash equivalents of approximately \$199 million, including restricted cash of \$96.3 million, and committed but unused credit facilities of approximately \$88 million. Capital expenditures for the third quarter were \$33.3 million.

A majority of the new subscribers added in the third quarter of 2001 signed up for plans subject to an account spending limit ("ASL"). Under the Sprint PCS service plans, customers who do not meet certain credit criteria can nevertheless select any plan offered subject to an ASL to control credit exposure. Prior to May 2001, these customers were required to make a deposit ranging from \$125 to \$200 that could be credited against future billings. In May 2001, the deposit requirement was eliminated on certain credit classes ("NDASL"). Since the modification in May 2001 to the NDASL, a majority of our new customer additions have been under the NDASL program. Sprint PCS has the right to end or materially change the terms of the ASL, NDASL or any other program in its sole discretion. If Sprint PCS chooses to do away with the ASL or NDASL program or reintroduce the deposit requirement, the growth rate we have experienced could decrease and the decrease may be significant.

**REVISED GUIDANCE.** We are revising our guidance for the year ending December 31, 2001. For the fourth quarter of 2001, we expect net subscriber additions of 96,000 to 121,000. For the full year of 2001, we increased our guidance with respect to estimated year end subscribers to a range of 500,000 to 525,000 from the previous range of 425,000 to 465,000. Year-end covered POPs are expected to be approximately 11 million.

EBITDA loss for 2001 is now expected to be in the range of negative \$55 million to negative \$60 million versus our previous guidance of negative \$38 million to negative \$53 million due to greater expected subscriber growth. Capital expenditure expectations for 2001 have decreased to a range of \$140 million to \$150 million from previous expectations of \$155 million to \$160 million.

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ARPU without roaming for the fourth quarter is expected to remain stable. ARPU with roaming is expected to decline, due to Sprint's lowering of the reciprocal rate announced in April and due to roaming revenue being spread over an increasing subscriber base. Churn is expected to be in the range of 2.5% to 3.0% for the year ended December 31, 2001.

## ALAMOSA HOLDINGS, INC.

### CONSOLIDATED STATEMENTS OF OPERATIONS (dollars in thousands, except per share data)

	For the three months ended September 30,	For the	
	2001	2000	2001
<b>Revenue:</b>			
Subscriber revenue	\$ 67,559	\$ 16,146	\$ 151,3
Roaming revenue	31,594	4,828	67,2
	-----	-----	-----
Total service revenue	99,153	20,974	218,5
Product sales	8,721	2,229	18,6
	-----	-----	-----
<b>Total revenue</b>	<b>107,874</b>	<b>23,203</b>	<b>237,2</b>
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<b>Costs and expenses:</b>			
Cost of service and operations	67,698	15,139	154,6
Cost of products sold	16,591	4,605	35,1
Selling and marketing	31,367	11,569	73,9
General and administrative expenses	3,535	3,495	10,7
Depreciation and amortization	27,305	3,015	64,4
	-----	-----	-----
<b>Total costs and expenses</b>	<b>146,496</b>	<b>37,823</b>	<b>338,9</b>
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<b>Loss from operations</b>	<b>(38,622)</b>	<b>(14,620)</b>	<b>(101,7</b>
Interest and other income	2,531	4,111	10,7
Interest expense	(23,626)	(6,961)	(58,2
	-----	-----	-----
<b>Net loss before income tax benefit and extraordinary item</b>	<b>(59,717)</b>	<b>(17,470)</b>	<b>(149,2</b>
Income tax benefit	22,005	--	53,3
	-----	-----	-----
<b>Net loss before extraordinary item</b>	<b>(37,712)</b>	<b>(17,470)</b>	<b>(95,9</b>
Loss on debt extinguishment, net of tax	--	--	(3,5
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Net loss	\$ (37,712)	\$ (17,470)	\$ (99,4
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Net loss per common share, basic and diluted:			
Net loss before extraordinary item	\$ (0.41)	\$ (0.28)	\$ (1.
Loss on debt extinguishment, net of tax	--	--	(0.
-----	-----	-----	-----
Net loss	\$ (0.41)	\$ (0.28)	\$ (1.
=====	=====	=====	=====
Weighted average common shares outstanding, basic and diluted	92,030,496	61,354,715	85,287,9
	=====	=====	=====
Supplemental operating information			
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Average revenue per user without roaming (ARPU without roaming)	\$ 63	\$ 68	\$
Average revenue per user with roaming (ARPU with roaming)	\$ 92	\$ 88	\$
Cost per Gross Addition	\$ 316	\$ 446	\$
Cash Cost per User	\$ 66	\$ 76	\$
	3		

ALAMOSA HOLDINGS, INC.

CONSOLIDATED BALANCE SHEETS  
(dollars in thousands, except per share data)

September 30,  
2001

(unaudited)

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 103,079
Short-term investments	--
Accounts receivable, net of allowance for doubtful accounts	53,428
Inventory	6,918
Prepaid expenses and other assets	6,419
Deferred tax asset	1,762
Interest receivable	435
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Total current assets	172,041

Property and equipment, net	427,790
Notes receivable	--
Debt issuance costs, net	37,608
Restricted cash	96,336

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Goodwill and intangible assets, net	849,088
Other non-current assets	5,738
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Total assets	\$ 1,588,601
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<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	\$ 103,760
Current installments of capital leases	433
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Total current liabilities	104,193
<b>Long term debt:</b>	
Capital lease obligations	2,237
Other non-current liabilities	7,539
EDC credit facility	--
Deferred tax liability, net	129,950
12 7/8% senior discount notes	229,894
12 1/2% senior notes	250,000
13 5/8% senior notes	150,000
Senior secured credit facility	137,162
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Total long term debt	906,782
	-----
Total liabilities	1,010,975
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Commitments and contingencies	
<b>Stockholders' equity:</b>	
Preferred stock, \$.01 par value; 10,000,000 shares authorized; no shares issued	--
Common stock, \$.01 par value; 290,000,000 shares authorized, 92,064,752 and 61,359,856 issued and outstanding, respectively	921
Additional paid-in capital	792,290
Retained earnings (deficit)	(213,427)
Accumulated other comprehensive income, net of tax	(1,228)
Unearned compensation	(930)
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Total stockholders' equity	577,626
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Total liabilities and stockholders' equity	\$ 1,588,601
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