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IPCS INC
Form 425
September 26, 2001

Filed by AirGate PCS, Inc.
Pursuant to Rule 425 under the Securities
Act of 1933, as amended and deemed
Filed pursuant to Rule 14a-12(b) of
the Securities Act of 1934
Subject Company: iPCS, Inc.
Commission File No. 333-47682; 333-47688

[AirGate PCS LOGO]

Presentation Regarding the
Acquisition of

[iPCS Logo]

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[AirGate PCS LOGO]

Safe Harbor Provisions

Certain statements contained in this presentation, such as statements concerning AirGate PCS', iPCS' or the combined company's anticipated performance, plans for growth and anticipated financial results and other factors that could affect future operations or performance and other non-historical facts, are forward looking statements made pursuant to the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995. Since these forward looking statements are based on factors that involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward looking statements. Such factors include: the ability to successfully integrate the two businesses, the competitiveness and financial impact of Sprint PCS pricing plans, products and services; the ability of Sprint PCS to provide back office, customer care and other services; consumer purchasing patterns; potential fluctuations in quarterly results; an adequate supply of subscriber equipment; risks related to our ability to compete with larger, more established businesses; rapid technological and market change; risks related to future growth and expansion; the ability to successfully complete the build-out of the iPCS network, the potential need for additional capital, anticipated future losses; the significant level of indebtedness of the combined companies and volatility of AirGate PCS's stock price. For a detailed discussion of these and other cautionary statements and factors that could cause actual results to differ from those contained in this presentation, please refer to AirGate PCS's and iPCS' filings with the Securities and Exchange Commission ("SEC"), especially in the "investment considerations" section of AirGate PCS's Form 10-K for the fiscal year ended September 30, 2000, AirGate PCS's Form 10-Q for the fiscal quarter ended June 30, 2001, iPCS' Form 10-K for the fiscal year ended December 31, 2000, iPCS' Form 10-Q for the fiscal quarter ended June 30, 2001, and in subsequent filings with the SEC. In addition, EBITDA is a financial measure used in the financial community. It is not, however, a measure of financial performance under generally accepted accounting principles in the United States. Neither company will undertake to update or revise any forward-

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looking statement contained herein.

On January 8, 2001, the SEC declared effective iPCS' registration statement relating to the resale of up to 300,000 warrants to purchase shares of its common stock and the offer and sale of 2,929,699 shares of its common stock. iPCS has filed a registration statement with the SEC for an initial public offering of 8,333,333 shares of its common stock. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state. Offers to sell these securities will be made only by means of a prospectus.

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[Sprint LOGO]

[Sprint PCS LOGO]

[AirGate PCS LOGO]

Transaction Rationale

- . Creates premier Sprint PCS affiliate
- . Fully funded with a significant cash cushion
- . EBITDA break-even calendar Q3 2002
- . Importance to Sprint PCS
- . iPCS markets have attractive characteristics
- . Strong operating performance to date
- . Proactive management of shareholder liquidity

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[Sprint PCS LOGO]

[AirGate PCS Logo]

Transaction Summary

| | |
|-------------------|--|
| Transaction Value | \$900 million enterprise value (based on PCSA close on 8/28/01) |
| Consideration | 12.4 million common shares 1.1 million shares reserved for options and warrants \$97 million assumed net debt(1) |
| POPs Added | 7.4 million |
| Governance CEO | Thomas M. Dougherty |

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| | |
|---|--|
| Board Seats | iPCS will designate 3 Board seats (out of 9) |
| Structure | Wholly-owned unrestricted subsidiary |
| Expected Closing | End of February 2002 |
| (1) Includes anticipated cash proceeds from the exercise of options and warrants. | |

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| | | |
|----------------|---|-------------------|
| | 4 | |
| [Sprint LOGO] | | [Sprint PCS LOGO] |
| [AIRGATE LOGO] | | |

AirGate with iPCS

| | |
|--|---|
| Airgate PCS, Inc. (Public Company) (Operating Company) | Current PCSA Stock \$300M Sr Disc Notes \$153.5M Sr Credit Facility (Lehman) |
|--|---|

Unrestricted Subsidiary

| | | | |
|--|--|---|------------------------------|
| AGW Leasing, Inc. (Equipment Company) | AirGate Network Services LLC (Softco) | iPCS, Inc. (Holding Company) | \$300M Sr Disc Notes |
| | | 100% | |
| | | iPCS Wireless, Inc. (Operating Company) | \$140M Sr Credit Facility |
| | | 100% | |
| | | iPCS Equipment, Inc. (Equipment Company) | |

| | |
|--|--|
| Current Indenture (Existing Operations) | Current Indenture (Existing Operations) |
|--|--|

| | | |
|---------------|--|-------------------|
| [SPRINT LOGO] | | [SPRINT PCS LOGO] |
|---------------|--|-------------------|

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[AirGate PCS LOGO]

Valuation

. Acquisition implies a 20% discount to AirGate's enterprise value / total POP

| | | |
|-------------------------------|---------|------|
| (in millions, except per POP) | AirGate | iPCS |
|-------------------------------|---------|------|

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| | | |
|----------------------------------|-----------|----------|
| Total POPs | 7.1 | 7.4 |
| Fully Diluted Shares Outstanding | 14.9 | 13.5 |
| Equity Value | \$ 887 | \$803 |
| Enterprise Value | \$1,076 | \$900 |
| Enterprise Value / Total POP | \$ 151/1/ | \$121/1/ |

/1/ Based on PCSA closing price of \$59.47 on August 28, 2001

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[Sprint PCS LOGO]

[AIRGATE LOGO]

Overview of AirGate

[Map of AirGate PCS and Sprint PCS markets in Tennessee, North Carolina, South Carolina and Georgia]

- . 6th largest Sprint PCS affiliate
 - 7.1 million total POPs
 - 6.2 million planned covered POPs
 - over 179,000 subscribers (6/30/01)
- . Contiguous to Sprint PCS major Southeastern Markets
 - Atlanta
 - Charlotte
- . Sprint Local Exchange carrier presence in 30% of territory
- . Attractive demographics
 - High POP density
 - Tourist destinations

[sprint LOGO]

[Sprint PCS LOGO]

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[AIRGATE PCS LOGO]

Strong Operational Performance

Network Coverage

Cell Sites On Air

| | |
|---------|-----|
| 9/30/99 | 0 |
| 3/31/00 | 190 |
| 9/30/00 | 567 |
| 3/31/00 | 633 |

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9/30/01

690-720 (Forecast)

3Q FY 2001 Distribution

| | |
|-----------------------|-----|
| Sprint | 20% |
| B2B | 13% |
| Third Party Retailers | 28% |
| Company Stores | 38% |

Productivity 3Q FY 2001

Net Adds/1000,000 Pops/week

| | |
|------------|----|
| AirGate | 39 |
| Triton | 34 |
| Sprint PCS | 32 |
| Alamosa | 27 |
| iPCS | 25 |
| US Unwired | 22 |
| Ubiquitel | 20 |
| Telecorp | 15 |

Costs Under Control

3Q FY 2001 CPGA

| | |
|------------|-------|
| iPCS | \$320 |
| US Unwired | \$340 |
| Sprint PCS | \$340 |
| Alamosa | \$361 |
| AirGate | \$377 |
| Triton | \$437 |
| Telecorp | \$491 |

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[Sprint PCS LOGO]

[AIRGATE LOGO]

No Deposit ASL Controls

- . Reduced acquisition costs
 - Limited handset choice
 - Collect activation and initiation fees
 - Extend commissions chargeback period
- . Minimum \$49.99 rate plan
- . Do not offer in B2B channel
- . Customer additions exclude fraudulent subscribers

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[Sprint PCS LOGO]

[AIRGATE LOGO]

And Financial Performance is Exceeding Expectations

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| | 12/31/00 | 3/31/01 | 6/30/01 |
|------------------------------------|-----------|-----------|----------|
| | ----- | ----- | ----- |
| Net new subscribers (000) | 46.7 | 40.1 | 35.9 |
| ARPU (\$) | \$ 54 | \$ 58 | \$ 59 |
| Net roaming margin (\$millions) | \$ 3.8 | \$ 3.5 | \$ 6.1 |
| EBITDA/1/ (\$millions) | \$ (20.4) | \$ (13.6) | \$ (8.3) |
| CapEx (\$millions) | \$ 10.6 | \$ 12.1 | \$ 17.9 |

/1/ Excluding non-cash stock option compensation expenses

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[Sprint PCS LOGO]

[AirGate PCS LOGO]

Overview of iPCS

[Map of various counties in Wisconsin, Michigan, Indiana, Missouri, Illinois, Iowa and Nebraska]

- . 5th largest Sprint PCS affiliate
 - 7.4 million total POPs
 - 5.9 million planned covered POPs
 - over 107,000 subscribers (6/30/01)
- . Contiguous to Sprint PCS major
Midwestern markets
 - Chicago
 - Detroit
 - Des Moines
 - Indianapolis
 - St. Louis
- . 30 MHz of spectrum in most markets
- . Less competitive markets
- . Attractive demographics
 - high POP density
 - major corporate headquarters

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[Sprint PCS LOGO]

[AirGate PCS LOGO]

Key Market Demographics/1/

| Markets | Total POPs | POP Density | Median HH Income | Traffic Density | Coverage Percentage |
|---------|---------------|----------------|---------------------|--------------------|------------------------|
|---------|---------------|----------------|---------------------|--------------------|------------------------|

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| | | | | | |
|--------------------------|-----------|-----|----------|--------|-----|
| Grand Rapids | 1,060,600 | 209 | \$31,711 | 30,722 | 90% |
| Saginaw - Bay City | 634,100 | 89 | 27,554 | 20,719 | 73% |
| Peoria | 464,600 | 95 | 33,611 | 16,981 | 81% |
| Davenport - Moline | 430,500 | 138 | 34,948 | 16,340 | 94% |
| Springfield | 267,200 | 103 | 34,673 | 21,385 | 89% |
| Cedar Rapids | 285,700 | 75 | 34,256 | 23,707 | 78% |
| Bloomington | 234,100 | 71 | 40,438 | 16,843 | 91% |
| Champaign - Urbana | 221,100 | 94 | 36,102 | 17,058 | 92% |
| Decatur - Effingham | 247,600 | 60 | 32,110 | 13,835 | 79% |
| Traverse City | 241,000 | 53 | 28,422 | 0 | 74% |
| Average - Top 10 Markets | 408,650 | 121 | \$32,562 | 20,622 | 85% |

(1) Data per Paul Kagan's 2001 Wireless Telecom Atlas & Databook. Averages are POP-weighted averages.

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[Sprint PCS LOGO]

[AirGate PCS Logo]

iPCS Spectrum Distribution

- Average of 25 MHz spectrum across territory

| MHz | No. of Mkts | Total POPs | % of Total |
|--------|-------------|------------|------------|
| 10 MHz | 8 | 1,641,200 | 22% |
| 20 MHz | 3 | 398,600 | 8% |
| 30 MHz | 26 | 5,405,900 | 70% |
| Total | 37 | 7,445,700 | 100% |

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[Sprint PCS LOGO]

[Logo of AirGate PCS]

Competition

. iPCS' markets have on average between 3 and 4 competitors

Operational in iPCS' Markets

| Carrier | # of iPCS' Markets (of 37) | % of iPCS' Markets (of 37) | # of iPCS' Covered POPs (of 5,908,452) | % of iPCS' Covered POPs (of 5,908,452) | Service |
|------------------|----------------------------|----------------------------|--|--|----------|
| Verizon Wireless | 23 | 62.2% | 4,669,129 | 79.0% | Cellular |

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| | | | | | |
|-----------------------------|----|-------|-----------|-------|----------|
| Nextel | 16 | 43.2% | 4,232,110 | 71.6% | ESMR |
| VoiceStream | 10 | 27.0% | 2,832,051 | 47.9% | PCS |
| USCellular | 11 | 29.7% | 1,876,024 | 31.8% | Cellular |
| CenturyTel | 5 | 13.5% | 1,866,798 | 31.6% | Cellular |
| Cingular Wireless | 16 | 43.2% | 1,839,045 | 31.1% | Cellular |
| Iowa Wireless | 7 | 18.9% | 1,282,430 | 21.7% | PCS |
| AT&T Wireless/ TeleCorp PCS | 5 | 13.5% | 1,003,150 | 17.0% | PCS |
| PrimeCo | 5 | 13.5% | 965,253 | 16.3% | PCS |
| America Wireless | 4 | 10.8% | 849,168 | 14.4% | PCS |

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[AirGate PCS LOGO]

AirGate Pro Forma Footprint

[Map of AirGate's and iPCS' combined markets]

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[AirGate PCS logo]

Pro Forma Ownership

iPCS Ownership

| | AirGate Shares | % Ownership |
|--|----------------|-------------|
| Blackstone Group | 4,169,250 | 14.6% |
| Geneseo Communications, Inc. | 2,465,168 | 8.6% |
| Cambridge Telecom, Inc. | 2,113,002 | 7.4% |
| TCW | 1,042,313 | 3.7% |
| Cass Communications | 704,334 | 2.5% |
| Technology Group, LLC | 704,334 | 2.5% |
| Montrose Mutual PCS, Inc. | 704,334 | 2.5% |
| Gridley Enterprises | 352,167 | 1.2% |
| Timothy M. Yager | 107,259 | 0.4% |
| | ----- | |
| | 12,362,161 | 43.4% |
| iPCS Option/Warrant Holders | | |
| Employee Option Holders | 478,928 | 1.7% |
| High Yield Warrant Holders | 475,334 | 1.7% |
| Sprint Warrants | 183,577 | 0.6% |
| | ----- | |
| | 1,137,839 | 4.0% |
| Total Fully Diluted Shares | 13,500,000 | |
| Pro Forma Fully Diluted Combined Company Ownership | | 47.4% |

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*Implied exchange ratio 0.1594 shares of AirGate for every share of iPCS

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[Sprint PCS LOGO]

[AirGate PCS LOGO]

Pro Forma Statistics

| (data in millions, except subscribers) | AirGate | iPCS | Combined |
|---|---------|---------|----------|
| ----- | | | |
| Market Information(1): | | | |
| Licensed POPs (mm) | 7.1 | 7.4 | 14.5 |
| Planned Covered POPs (mm) | 6.1 | 5.9 | 12.0 |
| Subscribers | 179,403 | 107,412 | 286,815 |
| 2nd Calendar Quarter Financial Information (Ended June 30, 2001): | | | |
| Total Revenue | \$47.6 | \$25.6 | \$73.2 |
| EBITDA (before non-cash comp) | (8.3) | (7.7) | (16.0) |
| EBITDA (pre-marketing and selling) | 10.4 | 2.2 | 12.6 |
| Fully Diluted Shares Outstanding | 14.9 | 13.5 | 28.4 |

(1) As of June 30, 2001.

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[AirGate PCS]

Summary

- . Acquisition at a discount
- . iPCS build out substantially complete at the end of calendar 2001
- . Excellent demographics and growth
- . Spectrum
- . Pro forma company is fully funded
- . EBITDA breakeven delayed by just one quarter

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[AirGate PCS LOGO]

Additional Information

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In connection with the proposed merger, AirGate PCS, Inc. will file a proxy statement/prospectus with the SEC. INVESTORS AND SECURITY HOLDERS ARE URGED TO CAREFULLY READ THE PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION WHEN IT BECOMES AVAILABLE, BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. The proxy statement/prospectus will be filed with the SEC by AirGate PCS, Inc. Investors and security holders may obtain a free copy of the proxy statement/prospectus (when it is available) and other documents containing information about AirGate PCS, Inc. and iPCS, Inc., without charge, at the SEC's web site at www.sec.gov. Copies of the proxy statement/prospectus and the SEC filings that will be incorporated by reference in the proxy statement/prospectus may also be obtained for free by directing a request to: Investor Relations, AirGate PCS, Inc., 233 Peachtree St. NE, Harris Tower Suite 1700, Atlanta, Georgia 30303, Phone: 404 525-7272, Fax: 404 525-7922.

In addition, the identity of the persons who, under SEC rules, may be considered "participants in the solicitation" of AirGate PCS shareholders in connection with the proposed transaction, and any description of their direct or indirect interests, by security holdings or otherwise, is available in an SEC filing under Schedule 14A made by AirGate PCS on December 20, 2000.

This communication is not an offer to purchase shares of iPCS, Inc., nor is it an offer to sell shares of AirGate PCS, Inc. common stock which may be issued in any proposed merger with iPCS, Inc. Any issuance of AirGate PCS, Inc. common stock in any proposed merger with iPCS, Inc. would have to be registered under the Securities Act of 1933, as amended and such AirGate, PCS, Inc. common stock would be offered only by means of a prospectus complying with the Act.

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