PRICE COMMUNICATIONS CORP
Form 10-K
March 27, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

|X| Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [Fee Required] For the fiscal year ended December 31, 2001 or

|_| Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 [No Fee Required] For the transition period from ________ to ________

COMMISSION FILE NUMBER 1-8309.

PRICE COMMUNICATIONS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

NEW YORK (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	13-2991700 (IRS EMPLOYER IDENTIFICATION NUMBER)
45 ROCKEFELLER PLAZA, NEW YORK, NEW YORK (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	10020 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE (212) 757-5600

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $.01 per share	New York Stock Exchange Boston Stock Exchange Chicago Stock Exchange Pacific Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of

1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to the filing requirements for the past 90 days. Yes |X| No |_|

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to the Form 10-K. |_|

AGGREGATE MARKET VALUE OF THE VOTING STOCK
HELD BY NONAFFILIATES OF THE COMPANY

Aggregate market value of the Common Stock held by non-affiliates of the Company, based on the last sale price on the New York Stock Exchange ("NYSE") on March 15, 2002 ($17.95 as reported in the WALL STREET JOURNAL): approximately $732.6 million.

The number of shares outstanding of the Company's common stock as of March 15, 2002 was 54,663,058.

DOCUMENTS INCORPORATED BY REFERENCE:

Part III of this Form 10-K incorporates certain information contained in the proxy statement/prospectus filed jointly on Form S-4 by the registrant, Verizon Wireless of the East LP and Verizon Communications Inc. in connection with the registrant's 2002 Annual Meeting of Shareholders.

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PART I

ITEM 1. BUSINESS

GENERAL

Unless otherwise indicated, all references herein to "PCC" refer to Price Communications Corporation and all references herein to the "Company" refer to PCC and its subsidiaries and their respective predecessors. References herein to "PCW" refer to Price Communications Wireless, Inc., a wholly-owned indirect subsidiary of PCC, and its respective subsidiaries and predecessors. References to "Holdings" are to Price Communications Cellular Holdings, Inc., an indirect wholly-owned subsidiary of PCC and the holder of 100% of the outstanding capital stock of PCW. PCC was organized in New York in 1979 and began active operations in 1981. Its principal executive offices are located at 45 Rockefeller Plaza, New York, New York 10020, and its telephone number is (212) 757-5600. See "Certain Terms" for definitions of certain terms used herein.

The Company has historically been a nationwide communications company owning and then disposing of a number of television, radio, newspaper, cellular telephone and other communications and related properties. The Company's business strategy is to acquire communications properties at prices it considers attractive, finance such properties on terms satisfactory to it, manage such properties in accordance with its operating strategy and dispose of them if and when the Company determines such dispositions to be in its best interests. The Company is currently party to an agreement to contribute its wireless business to a partnership controlled by Verizon Wireless (see below).

The Company is currently engaged, through PCW, in the construction, development, management and operation of cellular telephone systems in the

southeastern United States. At December 31, 2001, the Company provided cellular telephone service to 570,405 subscribers in Georgia, Alabama, South Carolina and Florida in a total of 16 licensed service areas composed of eight Metropolitan Statistical Areas ("MSA") and eight Rural Service Areas ("RSA"), with an aggregate estimated population of 3.4 million. The Company sells its cellular telephone service as well as a full line of cellular products and accessories principally through its network of retail stores. The Company markets all of its products and services under the nationally recognized service mark CELLULARONE.

The Company has developed its business through the acquisition and integration of cellular telephone systems, clustering multiple systems in order to provide broad areas of uninterrupted service and achieve certain economies of scale, including centralized marketing and administrative functions as well as multi-system capital expenditures. The Company devotes considerable attention to engineering, maintenance and improvement of its cellular telephone systems in an effort to deliver high-quality service to its subscribers and to implement new technologies as soon as economically practicable. Through its participation in the North American Cellular Network ("NACN"), the Company is able to offer ten-digit dialing access to its subscribers when they travel outside the Company's service areas, providing them with convenient roaming access throughout large areas of the United States, Canada, Mexico and Puerto Rico served by other NACN participants. By marketing its products and services under the CELLULARONE name, the Company also enjoys the benefits of association with a nationally recognized service mark.

AGREEMENT TO CONTRIBUTE BUSINESS OF PRICE COMMUNICATIONS WIRELESS

On December 18, 2001, the Company entered into an agreement (the "Transaction Agreement") with affiliates of Cellco Partnership (doing business as Verizon Wireless and referred to herein as "Verizon Wireless") pursuant to which the Company agreed to contribute substantially all of the assets of PCW to a new partnership controlled by Verizon Wireless ("New Limited Partnership"), subject to shareholder approval, in exchange for a Preferred Exchangeable Limited Partnership Interest (the "Preferred Exchangeable Interest") (the "contribution transaction"). New Limited Partnership will assume certain liabilities of PCW relating to the contributed business (including such liabilities as arise under PCW's 11 3/4% Senior Subordinated Notes due 2007 and 9 1/8% Senior Secured Notes due 2006). The Company expects to account for the Preferred Exchangeable Interest by applying the equity method of accounting.

If an initial public offering of Verizon Wireless common stock (meeting certain size requirements) occurs within four years of the contribution transaction, the Company may elect to exchange such Preferred Exchangeable Interest for Verizon Wireless common stock during the sixty-day period immediately following the later of (i) the date of the initial public offering and (ii) the one-year anniversary of the contribution transaction. Any such exchange will require the approval of the shareholders of PCC.

If Verizon Wireless does not complete such an initial public offering prior to the four-year anniversary of the contribution transaction or if Verizon Wireless does complete such an offering but an exchange into Verizon Wireless common stock does not occur for other reasons, the Preferred Exchangeable Interest will be exchanged for Verizon Communications common stock. The

timing of such exchange will depend upon the circumstances but in no event will it occur after the tenth anniversary of the contribution transaction.

In addition, in certain circumstances (including a change in control of

PCC or a transfer of the Preferred Exchangeable Interest to a secured creditor of the Company), Verizon Communications will have the right to cause an exchange of the Preferred Exchangeable Interest into Verizon Communications common stock, whether or not an initial public offering of Verizon Wireless common stock has occurred.

The amount of PCW's initial capital account in the partnership will be approximately $1.15 billion, subject to certain adjustments as defined in the Transaction Agreement. Pursuant to the partnership agreement of New Limited Partnership, any profits of New Limited Partnership will be allocated to PCW's capital account annually up to an amount equal to approximately 4.00% per annum (subject to downward adjustments relating to the interest rate payable on certain indebtedness of New Limited Partnership) and it is currently expected that the maximum preferred return after such adjustment will be approximately 3.6% per annum accreted quarterly on the weighted daily average balance of PCW's capital account (for a maximum period of four years). Any losses incurred by New Limited Partnership will be allocated to Verizon Wireless up to an amount equal to its capital accounts before being allocated to PCW. With respect to each quarter ending after the second anniversary of the contribution transaction, New Limited Partnership will distribute to PCW an amount in cash equal to 50% of PCW's share of any profits of New Limited Partnership. These distributions will reduce PCW's capital account in New Limited Partnership. The transaction is structured to be a tax-free exchange of assets under the Internal Revenue Code.

The Company expects to account for the Preferred Exchangeable Interest using the equity method of accounting. The initial investment on the PCC balance sheet will equal the credit in the capital account on the partnership's financial statement. Thereafter, the Company will increase its investment by the amount of income it will be entitled to based on the availability of profits and the agreed upon preferred rate of return. Future cash distributions will reduce the investment balance.

MARKETS AND SYSTEMS

Price Wireless' cellular telecommunications systems serve contiguous licensed service areas in Georgia, Alabama and South Carolina. Price Wireless also has a cellular service area in Panama City, Florida. The following table sets forth, with respect to each service area in which Price Wireless owns a cellular telecommunications system, the estimated population of such service area and, for each MSA, its national ranking. Price Wireless is now the owner of 100% of all of its service areas (see Notes to Consolidated Financial Statements).

SERVICE AREA	MSARANK	ESTIMATE POPULATIO
Albany, GA...	261	120,822
Augusta, GA..	108	452,846
Columbus, GA...	153	250,929
Macon, GA..	138	322,544
Savannah, GA...	155	293,000
Georgia-6 RSA..	---	211,408
Georgia-7 RSA..	---	139,606
Georgia-8 RSA..	---	166,601
Georgia-9 RSA..	---	124,063
Georgia-10 RSA.......................................	---	162,261
Georgia-12 RSA.......................................	---	220,558
Georgia-13 RSA.......................................	---	157,068
Dothan, AL...	246	137,916

Montgomery, AL	139	333,065
Alabama-8 RSA	---	196,259
Subtotal		3,288,946
Panama City, FL	283	148,217
Total		3,437,163

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(1) Based on population estimates from Paul Kagan and Associates for 2000.

GEORGIA/ALABAMA

Seven MSAs, Montgomery and Dothan, Alabama and Macon, Columbus, Albany, Augusta and Savannah, Georgia make up the core of the Company's Georgia/Alabama cluster. The Company owns additional cellular service areas in this region including the Georgia-9 RSA, Alabama-8 RSA, Georgia-7 RSA, Georgia-8 RSA, Georgia-10 RSA, Georgia-12 RSA, Georgia-13 RSA and the Georgia-6 RSA. The Augusta, Georgia MSA includes Aiken County in South Carolina. In the aggregate, these markets now cover a contiguous service area of approximately 38,000 square miles that includes Montgomery, the state capital of Alabama, prominent resort destinations in Jekyll Island, St. Simons Island and Sea Island, Georgia, and over 710 miles of interstate

highway, including most of 1-95 from Savannah, Georgia to Jacksonville, Florida. The Company collects substantial roaming revenue from cellular telephone subscribers from other systems traveling in these markets from nearby population centers such as Atlanta and Birmingham, as well as from vacation and business traffic in the southeastern United States. Due in part to the favorable labor environment, moderate weather and relatively low cost of land, there has been an influx of new manufacturing plants in this market. As of December 31, 2001 the Company utilized 360 cell sites in this cluster.

PANAMA CITY

The Company owns the non-wireline cellular license for the Panama City, Florida market. The Company collects substantial roaming revenue in this market from subscribers from other systems who visit Panama City, a popular spring and summer vacation destination. As of December 31, 2001, the Company utilized 18 cell sites in this market.

STRATEGY

The Company's four strategic objectives are to: (1) expand its revenue base by increasing penetration in existing service areas and encouraging greater usage among its existing customers, (2) provide high-quality customer service to create and maintain customer loyalty, (3) enhance performance by aggressively pursuing opportunities to increase operating efficiencies and (4) expand its regional wireless communications presence by selectively acquiring additional interests in cellular telephone systems (including minority interests).

Specifically, the Company strives to achieve these objectives through implementation of the following:

AGGRESSIVE, DIRECT MARKETING. The Company employs a two-tier direct sales force. A retail sales force handles walk-in traffic at the Company's 41 retail outlets and a targeted sales staff solicits certain industry and government subscribers. The Company's management believes that its internal sales force is the best way to successfully select and screen new subscribers and select pricing plans that realistically match subscriber means and needs. The Company tries to minimize its use of independent agents.

FLEXIBLE, VALUE-ORIENTED PRICING PLANS. The Company provides a range of pricing plans, each of which includes a monthly access fee and a bundle of "free" minutes. Additional home rate minutes are charged at rates dependent on the customer's usage plan and time of day. In addition, the Company offers nation wide area home rate roaming in the Company's systems and low flat rate roaming in a four state region in the Southeastern United States.

The Company believes that its bundled minute offerings will encourage greater customer usage. By increasing the number of minutes a customer can use for one flat rate, subscribers perceive greater value in their cellular service and become less usage sensitive, i.e. they can increase their cellular phone usage without seeing large corresponding increases in their cellular bills.

CONTINUALLY ADOPTING STATE OF THE ART SYSTEM DESIGN. The Company's network allows the delivery of full personal communication services ("PCS") functionality to its digital cellular customers, including caller ID, short message paging and extended battery life. The Company's network provides for "seamless handoff" between digital cellular and PCS operators that, like the Company, employ TDMA (Time Division Multiple Access) technology, one of three industry standards and the one employed by AT&T, SBC and others; i.e. the Company's customers may leave the Company's service area and enter an area serviced by a PCS provider using TDMA technology without noticing the difference and vice versa. The network infrastructure will eventually be converted from TDMA to CDMA (Code Division Multiple Access), subsequent to the completion of the contribution transaction with Verizon Wireless. See "Agreement to Contribute Business of Price Communications Wireless."

FOCUSING ON CUSTOMER SERVICE. Customer service is an essential element of the Company's marketing and operating philosophy. The Company is committed to attracting new subscribers and retaining existing subscribers by providing consistently high-quality customer service. In each of its cellular service areas, the Company maintains a local staff, including a market manager, customer service representatives, technical and engineering staff, sales representatives and installation and repair facilities. Each cellular service area handles its own customer-related functions such as credit evaluations, customer evaluations, account adjustments and rate plan changes. To ensure high-quality service, Cellular One Group authorizes a third-party marketing research firm to perform customer satisfaction surveys of each of its licensees. Licensees must achieve a minimum satisfaction level in order to continue using the Cellular One service mark.

CERTAIN CONSIDERATIONS

In addition to the other matters described herein, holders of PCC's Common Stock should carefully consider the following risk factors.

LEVERAGE AND LIQUIDITY. The Company is highly leveraged which could limit significantly its ability to make acquisitions, withstand competitive pressures or adverse economic conditions, obtain necessary financing or take advantage of business opportunities that may arise.

The Company at year-end had approximately $246.4 million in cash or cash equivalents. Its ability to borrow additional funds is limited by the covenants contained in the two outstanding debt instruments. The Company's cash interest requirement is approximately $68.5 million for the next several years until the $525.0 million 9 1/8% notes are repaid in 2006 and the $175.0

million 11 3/4% notes are repaid in July 2007. The 9 1/8% notes are callable after June 15, 2002, and the 11 3/4% notes are callable after July 15, 2002. The Company expects to generate sufficient operating cash flow to meet its liquidity needs for the next 12 months.

The Company's ability to meet its debt service requirements will require significant and sustained growth in the Company's cash flow. In addition, the Company expects to fund its growth strategy with cash from operations. There can be no assurance that the Company will be successful in improving its cash flow by a sufficient magnitude or in a timely manner or in raising additional equity or debt financing to enable the Company to meet its debt service requirements or to sustain its growth STRATEGY. However, should the proposed contribution transaction take place, the Company's long term debt will be assumed by New Limited Partnership.

LIMITATIONS ON ACCESS TO CASH FLOW OF SUBSIDIARIES. PCC does not have, and may not in the future have, any significant assets other than the common stock of its subsidiaries and cash which approximated $34.2 million at December 31, 2001. The current indentures of the Company's subsidiaries impose substantial restrictions on the ability of the Company's subsidiaries to pay dividends to the Company. Any payment of dividends to the Company is subject to the satisfaction of certain financial conditions set forth in the indentures as well as restrictions under applicable state corporation law. Under these indentures, the Company's subsidiaries are prohibited for the foreseeable future from dividending any monies to the Company. The Company has not in the past paid any cash dividends to its common shareholders and does not expect to pay any cash dividends to common shareholders in the foreseeable future. The ability of the Company and its subsidiaries to comply with the conditions of its financial obligations may be affected by events that are beyond the control of the Company. The breach of any such conditions could result in a default under the financing agreements and in the event of any such default, the lenders could elect to accelerate the maturity of the loans under such indebtedness. In the event of such acceleration, all outstanding debt would be required to be paid in full before any cash could be distributed to the Company. There can be no assurance that the assets of the Company and its subsidiaries would be sufficient to repay all outstanding indebtedness or meet other financial obligations.

COMPETITION. Although current policies of the FCC authorize only two licensees to operate cellular telephone systems in each cellular market, there is, and the Company expects there will continue to be, competition from various wireless technology licensees authorized to serve each market in which the Company operates, as well as from resellers of cellular service. Competition for subscribers between the two cellular licensees and other wireless providers in each market is based principally upon the services and enhancements offered, the technical quality of the cellular telephone system, customer service, system coverage and capacity and price. The Company competes with a cellular wireline licensee in each of its cellular markets, most of which are larger and have access to more substantial capital resources than the Company.

The Company also faces competition from other existing communications technologies such as conventional mobile telephone service, specialized mobile

radio ("SMR") and enhanced specialized mobile radio ("ESMR") systems and paging services and to a limited extent, satellite systems for mobile communications. The Company also faces competition from PCS. Broadband PCS involves a network of small, low-powered transceivers placed throughout a neighborhood, business complex, community or metropolitan area to provide customers with mobile and portable voice and data communications. PCS may be capable of offering, and PCS operators claim they will offer, additional services not offered by cellular providers. There can be no assurances that the Company will be able to provide nor that it will choose to pursue, depending on the economics thereof, such services and features. The FCC has also completed or announced plans for auctions in wireless services such as narrowband PCS, local multipoint multichannel distribution service ("LMDS"), interactive video distribution service ("IVDS"), wireless communication service ("WCS") and general wireless communication service ("GWCS") spectrum. Some of this spectrum might be used for services competitive in some manner with cellular service. The Company cannot predict the effect of these proceedings and auctions on the Company's business. However, the Company currently believes that traditional tested cellular is economically proven unlike many of these other technologies and therefore does not intend to pursue such other technologies.

Although the Company believes that the technology, financing and engineering of these other technologies is not as advanced as their publicity would suggest there can be no assurance that one or more of the technologies currently utilized by the Company in its business will not become obsolete at some time in the future.

POTENTIAL FOR REGULATORY CHANGES AND NEED FOR REGULATORY APPROVALS. The FCC regulates the licensing, construction, operation, acquisition, assignment and transfer of cellular telephone systems, as well as the number of licensees permitted in each market. Changes in the regulation of cellular activities could have a material adverse effect on the Company's operations. In addition, all cellular licenses in the United States are granted for an initial term of up to 10 years and are subject to renewal. The Company's cellular licenses expire in the following years with respect to the following number of service areas: 2002 (two); 2006 (one); 2008 (seven), 2010 (two) and 2011 (four). While the Company believes that each of these licenses will be renewed based upon FCC rules establishing a renewal expectancy in favor of licensees that have complied with their regulatory obligations during the relevant license period, there can be no assurance that all of the Company's licenses will be renewed in due course. In the

event that a license is not renewed, the Company would no longer have the right to operate in the relevant service area. The non-renewal of licenses could have a material adverse effect on the Company's results of operations. See "Business of the Company--Regulation."

FLUCTUATIONS IN MARKET VALUE OF LICENSE. A substantial portion of the Company's assets consists of its interests in cellular licenses. The assignment of interests in such licenses is subject to prior FCC approval and may also be subject to contractual restrictions, future competition and the relative supply and demand for radio spectrum. The future value of the Company's interests in its cellular licenses will depend significantly upon the success of the Company's business. While there is a current market for the Company's licenses (see "Agreement to Contribute Business of Price Communications Wireless" on page 2), such market may not exist in the future or the values obtainable may be significantly lower than at present. As a consequence, in the event of the liquidation or sale of the Company's assets, there can be no assurance that the proceeds would be sufficient to pay the Company's obligations and a significant

reduction in the value of the licenses could require a charge to the Company's results of operations.

RELIANCE ON USE OF THIRD PARTY SERVICE MARK. The Company currently uses the registered service mark CELLULARONE to market its services. The Company's use of this is and has historically been governed by five-year contracts between the Company and Cellular One Group, the owner of the service mark, for each of the markets in which the Company operates. See "Description of Cellular One Agreements." Such contracts currently in effect are expiring at different times through December 31, 2002. If for some reason beyond the Company's control, the name CELLULARONE were to suffer diminished marketing appeal, the Company's ability both to attract new subscribers and to retain existing subscribers could be materially affected. AT&T Wireless Services, Inc., which has been the single largest user of the CELLULARONE service mark, has significantly reduced its use of the service mark as a primary service mark as has Centennial Cellular. There can be no assurance that such reduction in use by any of such parties will not have an adverse effect on the marketing appeal of the brand name.

DEPENDENCE ON KEY PERSONNEL. The Company's affairs are managed by a small number of key management and operating personnel, the loss of whom could have an adverse impact on the Company. The success of the Company's operations and expansion strategy depends on its ability to retain and to expand its staff of qualified personnel in the future.

RADIO FREQUENCY EMISSION CONCERNS. Media reports have suggested that certain radio frequency ("RF") emissions from portable cellular telephones may be linked to certain types of cancer. In addition, recently a limited number of lawsuits have been brought, not involving the Company, alleging a connection between cellular telephone use and certain types of cancer. Concerns over RF emissions and interference may have the effect of discouraging the use of cellular telephones, which could have an adverse effect upon the Company's business. As required by the Telecom Act, in August 1996, the FCC adopted new guidelines and methods for evaluating RF emissions from radio equipment, including cellular telephones. While the new guidelines impose more restrictive standards on RF emissions from low power devices such as portable cellular telephones, the Company believes that all cellular telephones currently marketed and in use complies with the new standards.

The Company carries $2.0 million in General Liability insurance and $25.0 million in umbrella liability coverage. This insurance would cover (subject to coverage limits) any liability suits with respect to human exposure to radio frequency emissions.

EQUIPMENT FAILURE, NATURAL DISASTER. Although the Company carries "business interruption" insurance, a major equipment failure or a natural disaster affecting any one of the Company's central switching offices or certain of its cell sites could have a significant adverse effect on the Company's operations.

FOLLOWING COMPLETION OF THE CONTRIBUTION TRANSACTION, THE COMPANY MAY HAVE LIMITED SOURCES OF CASH TO MEET ITS OBLIGATIONS. From the contribution transaction until the exchange for Verizon Wireless common stock or Verizon Communications common stock, the Preferred Exchangeable Interest will be substantially all of the Company's assets. The Company will receive a taxable allocation of any profits from New Limited Partnership equal to its preferred return, and such allocations will increase the Company's capital account in New Limited Partnership. For two years after the contribution transaction, the Company will receive no cash distributions from New Limited Partnership. After the second anniversary of the contribution transaction, for a period of up to two years, the Company will receive cash distributions equal to 50% of its preferred return. The Preferred Exchangeable Interest will in general be non-transferable, although it may (with the consent of New Limited Partnership)

be pledged to a lender. The Company does not expect to have sources of cash other than its cash remaining after the contribution transaction, the cash distributions from New Limited Partnership, income from the investment of cash and any funds that it may be able to borrow. Although the Company currently anticipates that it will have sufficient cash to meet its tax and obligations, there is a risk that its funds (including distributions) will be insufficient to meet its obligations. Further, there is a risk that if the Company needs to borrow money to meet such obligations, it may be forced to do so on unfavorable terms.

THERE ARE RESTRICTIONS ON THE COMPANY'S ACTIVITIES AFTER IT HAS EXCHANGED THE PREFERRED EXCHANGEABLE INTEREST FOR VERIZON WIRELESS COMMON STOCK OR VERIZON COMMUNICATIONS COMMON STOCK. At the time of an exchange of the Preferred Exchangeable Interest for shares of either Verizon Wireless common stock or Verizon Communications common stock, such shares may account for a substantial portion of the asset value of PCC. As a result, in order to avoid being required to register as an "investment company" under the Investment Company Act, which would, among other things, limit the ability of other registered investment companies to own shares of PCC's common stock, PCC may need to (1) liquidate or (2) within one year from the Company's election to effect the exchange, in the case of Verizon Wireless common stock, or within one year from the date of the exchange, in the case of Verizon Communications common stock, be primarily engaged in a business other than that of investing, reinvesting, owning, holding or trading in securities. While the management of PCC has indicated that its current intent is to recommend that PCC be liquidated, it has also indicated that, consistent with its fiduciary duties, it intends to review other potential business opportunities (including broadcasting, wireless and other similar opportunities) during the period prior to any such recommendation. Registering as an investment company could limit the Company's ability to take advantage of potential business opportunities or require changes to the corporate and operational structure of the Company.

THE COMPANY WILL HAVE CERTAIN LIMITED MANAGEMENT RIGHTS WITH RESPECT TO NEW LIMITED PARTNERSHIP. Subject to the veto rights granted to the Company under the limited partnership agreement of New Limited Partnership relating to, among other things, acquisitions and dispositions of assets, engaging in other business activities, incurring indebtedness, capital contributions and distributions, related party transactions and equity issuances, the managing general partner of New Limited Partnership, which is proposed to be a majority owned affiliate of Verizon Wireless will have the right to manage the business of New Limited Partnership. We cannot assure you that the managing general partner will be successful in managing New Limited Partnership or that managing general partner's interests in managing New Limited Partnership will not conflict with the interests of the Company.

OPERATIONS

GENERAL

The Company is currently engaged in the construction, development, management and operation of cellular telephone systems in the southeastern United States. References herein to the "Acquisition" refer to the acquisition by PCW of Palmer Wireless, Inc. ("Predecessor") and the related sales of the Fort Myers and Georgia-1 systems of the Predecessor. At December 31, 2001, the

Company provided cellular telephone service to 570,405 subscribers in Georgia, Alabama, Florida and South Carolina in a total of 16 licensed service areas composed of eight MSAs and eight RSAs with an aggregate estimated population of 3.4 million. The Company sells its cellular telephone service as well as a full line of cellular products and accessories, including pagers, principally through its network of retail stores. The Company markets all of its products and services under the nationally recognized service mark CELLULARONE. The Company has developed its business through the acquisition and integration of cellular telephone systems, clustering multiple systems in order to provide broad areas of uninterrupted service and achieve certain economies of scale, including centralized marketing and administrative functions as well as multi-system capital expenditures. The Company devotes considerable attention to engineering, maintenance and improvement of its cellular telephone systems in an effort to deliver high-quality service to its subscribers. Through its participation in NACN, the Company is able to offer ten-digit dialing access to its subscribers when they travel outside the Company's service areas, providing them with convenient roaming access throughout large areas of the United States, Canada, Mexico and Puerto Rico. By marketing its products and services under the CELLULARONE name, the Company also enjoys the benefits of association with a nationally recognized service mark.

The following table sets forth information, at the dates indicated, regarding subscribers, penetration rate, cost to add a gross subscriber, average monthly churn rate and average monthly service revenue per subscriber for the Company.

	YEAR ENDED DECEMB		
	2001	2000	1999
Subscribers at end of period (1)	570,405	528,405	453,98
Penetration at end of period (2)	16.60%	15.89%	13.6
Cost to add a gross subscriber (3)	$ 168	$ 177	$ 19
Average monthly churn (4)	2.14%	1.95%	1.9
Average monthly service revenue per subscriber (5)	$ 49.95	$ 53.93	$ 56.1

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(1) Each billable telephone number in service represents one subscriber.

(2) Determined by dividing the aggregate number of subscribers by the estimated population.

(3) Determined for the periods by dividing (i) all costs of sales and marketing, including salaries, commissions and employee benefits and all expenses incurred by sales and marketing personnel, agent commissions, credit reference expenses, losses on cellular telephone sales, rental expenses allocated to retail operations, net installation expenses and other miscellaneous sales and marketing charges for such period by (ii) the gross subscribers added during such period.

(4) Determined for the periods by dividing total subscribers discontinuing service by the average number of subscribers for such period, and divided by the number of months in the relevant period.

(5) Determined for the periods by dividing the (i) sum of the access, airtime, roaming, long distance, features, connection, disconnection and other revenues for such period by (ii) the average number of subscribers for

such period, divided by the number of months in the relevant period.

(6) Combines operating information of the Company for the period October 6, 1997 to December 31, 1997 and its Predecessor for the period January 1, 1997, to October 6, 1997. Gives effect to the Acquisition, as defined.

SUBSCRIBERS AND SYSTEM USAGE

The Company's subscribers have increased to 570,405 at December 31, 2001. Reductions in the cost of cellular telephone services and equipment at the retail level have led to an increase in cellular telephone usage by general consumers for non- business purposes. As a result, the Company believes that there is an opportunity for growth in each of its existing service areas. The Company will continue to broaden its subscriber base for basic cellular telephone services as well as increase its offering of customized services. The sale of custom calling features typically results in increased usage of cellular telephones by subscribers thereby increasing the potential for additional revenue. In 2001, cellular telephone service revenues represented 93.3% of the Company's total revenues with equipment sales and installation representing the balance.

MARKETING

The Company's marketing strategy is designed to generate continued net subscriber growth by focusing on subscribers who are likely to generate lower than average deactivations and delinquent accounts, while simultaneously maintaining a low cost of adding net subscribers. Management has implemented its marketing strategy by training and compensating its sales force in a manner designed to stress the importance of high penetration levels and minimum costs per net subscriber addition. The Company's sales staff has a two-tier structure. A retail sales force handles walk-in traffic and a targeted sales staff solicits certain industry and government subscribers.

The Company believes its use of an internal sales force keeps marketing costs low, both because commissions are lower and because subscriber retention is higher than if it used independent agents. The Company believes its cost to add a subscriber will continue to be among the lowest in the cellular telephone industry, principally because of its in-house direct sales and marketing staff.

The Company's sales force works principally out of retail stores in which the Company offers its cellular products and services. As of December 31, 2001, the Company maintained 41 retail stores and four offices. Retail stores, which range in size up to 11,000 square feet, are fully equipped to handle customer service and the sale of cellular services, telephones and accessories. Eight of the newer and larger stores are promoted by the Company as "Superstores", seven of which are located in the Company's Georgia/Alabama service areas and one in the Panama City, Florida service area. Each Superstore has an authorized warranty repair center and provides cellular telephone installation and maintenance services. Most of the Company's larger markets currently have at least one Superstore. To enhance convenience for its customers, the Company has opened some smaller stores in locations such as shopping malls. The Company's stores provide subscriber-friendly retail environments- extended hours, a large selection of phones and accessories, an expert sales staff, and convenient locations, which make the sales process quick and easy for the subscriber.

The Company markets all of its products and services under the name CELLULARONE. The national advertising campaign conducted by Cellular One Group enhances the Company's advertising exposure compared to what could be achieved

by the Company alone. The Company also obtains substantial marketing benefits from the name recognition associated with this widely used service mark, both with existing subscribers traveling outside the Company's service areas and with potential new subscribers moving into the Company's service areas.

Through its membership in NACN and other special networking arrangements, the Company provides extended regional and national service to its subscribers, thereby allowing them to make and receive calls while in other cellular service areas without dialing special access codes.

PRODUCTS AND SERVICES

In addition to providing high-quality cellular telephone service in each of its markets, the Company also offers various custom-calling features such as voicemail, call forwarding, call waiting, three-way conference calling, no answer and busy transfer. Several rate plans are presented to prospective subscribers so that they may choose the plan that will best fit their expected calling needs. Generally, these rate plans include a high user plan, a medium user plan, a basic plan and an economy plan. Most rate plans combine a fixed monthly access fee, per minute usage charges and additional charges for custom-calling features in a package that offers value to the subscriber while enhancing airtime use and revenues for the Company. In general, rate plans that include a higher monthly access fee typically include a lower usage rate per minute. An ongoing review of equipment and service pricing is maintained to ensure the Company's competitiveness and appropriate revisions to pricing of service plans and equipment are made to meet the demands of the local marketplace. The Company offers paging as an accessory to its cellular customers.

The following table sets forth a breakdown of the Company's revenues after giving effect to the Acquisition from the sale of its services and equipment for the periods indicated.

	COMPANY			
	FOR THE YEAR ENDED DEC. 31,			
	2001	2000	1999	1998
SERVICE REVENUE:				
Access and usage (1)................	$184,198	$175,988	$166,030	$140,024
Roaming (2).........................	29,313	40,491	39,665	27,029
Long distance (3)...................	21,850	26,537	22,188	13,045
Other (4)...........................	10,456	9,497	5,692	4,554
Total service revenue...............	245,817	252,513	233,575	184,652
Equipment sales and installation (5)	17,731	17,995	15,548	12,053
Total...............................	$263,548	$270,508	$249,123	$196,705

(1) Access and usage revenues include monthly access fees for providing service and usage fees based on per minute usage rates and for post and prepaid subscribers.
(2) Roaming revenues are fees charged for providing services to subscribers of other systems when such subscribers or "roamers" place or receive a telephone call within one of the Company's service areas.
(3) Long distance revenue is derived from long distance telephone calls placed by the Company's subscribers.
(4) Other revenue includes, among other things, connect fees charged to subscribers for initial activation on the cellular telephone system and fees for feature services such as voicemail, call forwarding and call waiting.
(5) Equipment sales and installation revenue includes revenue derived from the sale of cellular telephones and fees for the installation of such telephones.

Reciprocal roaming agreements between each of the Company's cellular telephone systems and the cellular telephone systems of other operators allow their respective subscribers to place calls in most cellular service areas throughout the country. The roamers home systems are charged usage fees, which are generally higher than a given cellular telephone system's regular usage fees, thereby resulting in a higher profit margin on roaming revenue. In 2001, roaming revenue accounted for 11.9% of the Company's service revenues and 11.1% of the Company's total revenue. This roaming revenue is due in part to the fact that the Company's markets include several vacation destinations and a number of its systems are located along major interstate travel corridors.

In order to develop the market for cellular telephone service, the Company provides retail distribution and maintains inventories of cellular telephones and accessories. The Company negotiates volume discounts for the purchase of cellular telephones and, in many cases, passes such discounts on to its customers. The Company believes that earning an operating profit on the sale of cellular telephones is of secondary importance to offering cellular telephones at competitive prices to potential subscribers. To respond to competition and to enhance subscriber growth, the Company has historically sold cellular telephones below cost. However, the Company generally tries to earn a profit on the sales of accessories.

The Company recently added several new services which it believes will provide additional revenue sources. Using the TDMA IS-136 standard for the Company's digital services, the Company offers Enhanced Short Messaging Services (SMS) including text messaging and e-mail addresses. Subscribers are also able to order content from internet sources such as weather reports, horoscopes, stock quotes and various other data at their discretion, on a subscription basis. The Company has engaged a third party provider to customize this service for its subscribers. Additionally, the Company will deploy Wireless Application Protocol (WAP) to allow customers to browse the internet with new handsets to be introduced by certain manufacturers. This service will provide customers the means to be totally interactive by selecting what information they desire real time via wireless handsets.

CUSTOMER SERVICE

The Company is committed to attracting new subscribers and retaining existing subscribers by providing consistently high-quality customer service. In each of its cellular service areas, the Company maintains a local staff, including a store manager, customer service representatives, technical and engineering staff, sales representatives and installation and repair facilities. Each cellular service area handles its own customer-related functions such as customer activations, account adjustments and rate plan

changes. Local offices and installation and repair facilities enable the Company to better service customers, schedule installations and repairs and monitor the technical quality of the cellular service areas.

To ensure high-quality customer service, the Cellular One Group authorizes a third-party marketing research firm to perform customer satisfaction surveys of each of its licensees. Licensees must achieve a minimum customer satisfaction level in order to be permitted to continue using the CELLULARONE service mark.

The Company has implemented a software package to combat cellular telephone service fraud. This software system can detect counterfeit cellular telephones while they are being operated and enable the Company to terminate service to the fraudulent user of the counterfeit cellular telephone. The Company also helps protect itself from fraud with pre-call customer validation and subscriber profiles specifically designed to combat the fraudulent use of subscriber accounts.

NETWORKS

The Company strives to provide its subscribers with virtually seamless coverage throughout its cellular service market areas, thereby permitting subscribers to travel freely within this region and have their calls and custom calling features, such as voicemail, call waiting and call forwarding, follow them automatically without having to notify callers of their location or to rely on special access codes. The Company has been able to offer virtually seamless coverage by implementing a switch inter-connection plan to mobile telephone switching offices ("MTSO") located in adjoining markets. The Company's equipment is built by NORTEL, formerly Northern Telecom, Inc. ("NTI"), and interconnection between MTSOs is achieved by using the IS-41, Rev.C, standard protocol.

Through its participation in NACN since 1992 and other special networking arrangements, the Company has pursued its goal of offering seamless regional and national cellular service to its subscribers. NACN is the largest wireless telephone network system in the world linking non-wireline cellular operators throughout the United States and Canada. Membership in NACN has aided the Company in integrating its cellular telephone systems within its region and has permitted the Company to offer cellular telephone service to its subscribers throughout a large portion of the United States, Canada, Mexico and Puerto Rico. NACN has provided the Company with a number of distinct advantages: (i) lower costs for roaming verification, (ii) increased roaming revenue, (iii) more efficient roaming service and (iv) integration of the Company's markets with over 7,500 cities worldwide.

SYSTEM DEVELOPMENT AND EXPANSION

The Company develops its service areas by adding channels to existing cell sites and by building new cell sites. Such development is done for the purpose of increasing capacity and improving coverage in direct response to projected subscriber demand. Projected subscriber demand is calculated for each cellular service area on a cell by cell basis. These projections involve a traffic analysis of usage by existing subscribers and an estimation of the number of additional subscribers in each such area. In calculating projected subscriber demand, the Company builds into its design assumptions a maximum call "blockage" rate of 2.0% (percentage of calls that are not connected on first attempt at peak usage time during the day).

The following table sets forth, by market, at the dates indicated, the number of the Company's operational cell sites.

	AT DECEMBER 31,				
	2001	2000	1999	1998	19
Georgia/Alabama	360	312	257	223	2
Panama City, FL	18	16	15	12	
Total	378	328	272	236	2

The Company constructed 50 cell sites in 2001 and plans to construct additional cell sites with respect to its existing cellular systems during 2002 to meet projected subscriber demand and improve the quality of service. Cell site expansion is expected to enable the Company to continue to add subscribers, enhance use of its cellular telephone systems by existing subscribers, increase services used by subscribers of other cellular telephone systems due to the larger geographic area covered by the cellular telephone networks and further enhance the overall efficiency of the network and decrease churn. The Company believes that the increased cellular telephone coverage will have a positive effect on market penetration and subscriber usage.

Microwave networks, previously built by the Company, enable the Company to connect switching equipment and cell sites without making use of local landline telephone carriers, thereby reducing or eliminating fees paid to landline carriers.

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DIGITAL CELLULAR TECHNOLOGY

Over the next few years, it is expected that cellular telephones will gradually convert from analog to digital technology. This conversion is due in part to capacity constraints of analog technology. As carriers reach limited capacity levels, certain calls may be unable to be completed, especially during peak hours. Digital technology increases system capacity and offers other advantages over analog technology, including improved overall average signal quality, improved call security, potentially lower incremental costs for additional subscribers and the ability to provide data transmission services. The conversion from analog to digital technology is expected to be an industry-wide process that will take a number of years. The exact timing and overall costs of such conversion are not yet known.

The Company began offering Time Division Multiple Access ("TDMA") standard digital service, one of three standards for digital service, during 1997. This digital network allows the Company to offer advanced cellular features and services such as caller-ID, short message paging and extended battery life. Where cell sites are not yet at their maximum capacity of radio channels, the Company is adding digital channels to the network incrementally based on the relative demand for digital and analog channels. Where cell sites are at full capacity, analog channels are being removed and redeployed to expand capacity elsewhere within the network and replaced in such cell sites by digital channels. The implementation of digital cellular technology over a period of several years will involve modest incremental expenditures for switch software and possible significant cost reductions as a result of reduced purchases of radio channels and a reduced requirement to split existing cells. However, as indicated above, the extent of any implementation of digital radio channels and

the amount of any cost savings ultimately to be derived therefrom will depend primarily on subscriber demand. In the ordinary course of business, equipment upgrades at the cell sites have involved purchasing dual mode radios capable of using both analog and digital technology.

The benefits of digital radio channels can only be achieved if subscribers purchase cellular telephones that are capable of transmitting and receiving digital signals. Currently, such telephones are more costly than analog telephones. The widespread use of digital cellular telephones is likely to occur only over a number of years and there can be no assurance that this technology will replace analog cellular telephones. In addition, since most of the Company's existing subscribers currently have cellular telephones that exclusively utilize analog technology, it will be necessary to continue to support and if necessary, increase the number of analog radio channels within the network for several years.

COMPETITION

The cellular telephone service industry in the United States is highly competitive. Cellular telephone systems compete principally on the basis of services and enhancements offered, the technical quality of the cellular system, customer service, coverage capacity and price of service and equipment. Currently, the Company's primary competition in each of its service areas is the other cellular licensee-the wireline carrier. The table below lists the wireline competitor in each of the Company's existing service areas:

MARKET	WIRELINE COMPETITOR
Albany, GA........................	ALLTEL
Augusta, GA.......................	ALLTEL
Columbus, GA......................	Public Service Cellular
Macon, GA.........................	Cingular Wireless
Savannah, GA......................	ALLTEL
Georgia-6 RSA.....................	Cingular Wireless and Public Service Cellular(1)
Georgia-7 RSA.....................	ALLTEL and Cingular Wireless(1)
Georgia-8 RSA.....................	ALLTEL
Georgia-9 RSA.....................	ALLTEL and Public Service Cellular(1)
Georgia-10 RSA....................	ALLTEL
Georgia-12 RSA....................	ALLTEL
Georgia-13 RSA....................	ALLTEL
Dothan, AL........................	ALLTEL
Montgomery, AL....................	ALLTEL
Alabama-8 RSA.....................	Public Service Cellular and ALLTEL(1)
Panama City, FL...................	ALLTEL

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(1) The FCC has granted licenses subdividing the service area between these carriers.

The Company also faces competition from broadband PCS. Broadband PCS involves a network of small, low-powered transceivers placed throughout a neighborhood, business complex, community or metropolitan area to provide customers with mobile and portable voice and data communications. PCS subscribers communicate using digital radio handsets.

A broadband PCS system operates on one of six frequency blocks in the 1800-1900 MHz bands that the FCC allocated for personal communications services. PCS systems generally are used for two-way voice applications although they may carry two-way data communications and fixed wireless services as well. For the purpose of awarding PCS licenses, the FCC has divided the United States into 51 large regions called Major Trading Areas (MTAs), which are comprised of 493 smaller regions called Basic Trading Areas (BTAs). The FCC originally awarded two PCS licenses for each MTA, known as the "A" and "B" blocks, and four licenses for each BTA known as the "C," "D," "E," and "F" blocks. In their initial allocation, the C block and F block licenses were limited to designated entities meeting certain financial eligibility requirements. The two MTA licenses authorize the use of 30 MHz of PCS spectrum. The C block is for 30 MHz of spectrum and the D, E and F blocks are for 10 MHz each.

The FCC permits licensees to split their licenses and assign a portion, on either a geographic, or "partitioned," basis or on a frequency, or "disaggregated," basis or both, to a third party.

The FCC reauctioned a number of C and F block licenses returned to the FCC or otherwise cancelled. In connection with the reauction, the FCC subdivided the C block licenses into three 10 MHz licenses. Certain of these licenses were subject to open bidding, while for others, the FCC retained the financial eligibility requirements permitting only certain designated entities to bid. There is ongoing litigation challenging the validity of the reauction.

While most of the Company's competitors primarily hold cellular or PCS licenses, one of its principal competitors provides wireless services on frequencies allocated to "Specialized Mobile Radio" (SMR) service. The Company also faces competition from other existing communications technologies such as conventional mobile telephone service, and ESMR systems and paging services.

In addition, the FCC has licensed operators to provide mobile satellite service in which transmissions from mobile units to satellites would augment or replace transmissions to land-based stations. Although such systems are designed primarily to serve remote areas and are subject to transmission delays inherent in satellite communications, mobile satellite systems could augment or replace communications with segments of land-based cellular systems. Based on current technologies, however, satellite transmission services have not been competitively priced with cellular telephone services.

In order to grow and compete effectively in the wireless market, the Company plans to follow a strategy of increasing its bundled minute offerings. By increasing the number of minutes a customer can use for one flat rate, subscribers perceive greater value in their cellular service and become less usage sensitive. For example, customers can increase their cellular phone usage without seeing large corresponding increases in their cellular bill. These factors translate into more satisfied customers, greater customer usage and assist in the control of churn among existing subscribers. The perceived greater value also increases the number of potential customers in the marketplace. The Company believes that this strategy will enable it to increase its share of the wireless market.

SERVICE MARKS

CELLULARONE is a registered service mark with the U.S. Patent and Trademark Office. The service mark is owned by Cellular One Group, a Delaware general partnership of Cellular One Marketing, Inc., a wholly owned subsidiary of Western Wireless Corporation. The Company uses the CELLULARONE service mark to identify and promote its cellular telephone service pursuant to licensing agreements with Cellular One Group. In 2001, the Company paid $366,000 in

licensing and advertising fees under these agreements. See "Certain Considerations--Reliance on Use of Third Party Service Mark."

DESCRIPTION OF CELLULAR ONE AGREEMENTS

The Company is currently party to sixteen license agreements with Cellular One Group, which cover separate cellular telephone system areas. The terms of each agreement (each, a "Cellular One Agreement") are substantially identical. Pursuant to each Cellular One Agreement, Cellular One Group has granted a license to use the "CELLULARONE" mark (the "Mark") in its FCC-licensed territory (the "Licensed Territory") to promote its cellular telephone service. Cellular One Group has agreed not to license such mark to any other cellular telephone service provider in such territory during the term of the agreement.

Each Cellular One Agreement has a term of five years and is renewable, subject to the conditions described herein, at the option of the Company for three additional five-year terms subject to provision of advanced written notice by the Company. In connection with any renewal, the Company must execute Cellular One Group's then-current form of license renewal agreement, which form may contain provisions materially different than those in the Cellular One Agreement.

Cellular One Group may terminate the Cellular One Agreements at any time without written notice to the Company upon certain events, including bankruptcy, insolvency and dissolution of the Company.

Cellular One Group may terminate the Cellular One Agreements if the Company (i) fails to pay any amounts thereunder when due or fails to submit information required to be provided pursuant to the Cellular One Agreement when due or makes a false statement in connection therewith, (ii) fails to operate its business in conformity with FCC directives, technical industry standards and other standards specified from time to time by Cellular One Group, (iii) misuses, makes unauthorized use of or materially impairs the goodwill of the Mark, (iv) engages in any business under a name that is confusingly similar to the Mark, or (v) permits a continued violation of any law or regulation applicable to it, in each case subject to a thirty-day cure period.

The Cellular One Agreements are terminable by the Company at any time subject to 120 days written notice.

The Company has agreed to indemnify Cellular One Group and its employees and affiliates, including its constituent partners, against all claims arising from the operation of its cellular phone business and the costs, including attorney's fees, of defending against them.

Subject to receipt of the requisite consent of Cellular One Group, the Cellular One Agreements will be assigned to Verizon Wireless in connection with the contribution agreement. See "Agreement to Contribute Business of Price Communications Wireless" on page 2.

REGULATION

As a provider of cellular telephone services, the Company is subject to extensive regulation by the federal government.

The licensing, construction, operation, acquisition and transfer of cellular telephone systems in the United States are regulated by the FCC pursuant to the Communications Act of 1934, as amended (the "Communications

Act"). The FCC has promulgated rules governing the construction and operation of cellular telephone systems and licensing and technical standards for the provision of cellular telephone service ("FCC Rules"). A cellular system operates on one of two 25 MHz frequency blocks, known as the "A" and "B" blocks, in the 850 MHz band that the FCC allocates for cellular radio service. Cellular systems principally are used for two-way mobile voice applications, although they may be used for data applications and fixed wireless services as well. Cellular licenses are issued for either Metropolitan Statistical Areas (MSAs) or Rural Service Areas (RSAs), two in each area. No entity may hold a substantial ownership interest in both the A and B blocks in a single rural service area. The FCC may prohibit or impose conditions on sales or transfers of licenses.

Initial operating licenses are generally granted for terms of up to 10 years, renewable upon application to the FCC. Licenses may be revoked and license renewal applications denied for cause after appropriate notice and hearing. The Company's cellular licenses expire in the following years with respect to the following number of service areas: 2002 (two); 2006 (one); 2008 (seven), 2010 (two) and 2011 (four). Licensees will be granted a renewal expectancy if they have complied with their obligations under the Communications Act during their license terms and provided substantial public service. A potential challenger will bear a heavy burden to demonstrate that a license should not be renewed if the licensee's performance merits renewal expectancy. The Company believes that the licenses it controls will continue to be renewed in a timely manner. However, in the event that a license is not renewed, the Company would no longer have the right to operate in the relevant service area which would have an adverse effect on the Company's results of operations.

Under FCC rules, each cellular licensee was given the exclusive right to construct one of two cellular telephone systems within the licensee's MSA or RSA during the initial five-year period of its authorization. At the end of such five-year period, other persons are permitted to apply to serve areas within the licensed market that are not served by the licensee and current FCC Rules provide that competing applications for these "unserved areas" are to be resolved through the auction process. The Company has no material unserved areas in any of its cellular telephone systems.

The Company also uses common carrier point-to-point microwave facilities to connect its wireless cell sites and to link them to the main switching office. Where it uses point-to-point microwave facilities, the FCC licenses these facilities separately, and they are subject to regulation as to technical parameters and service. Microwave licenses must also be renewed every 10 years.

The Company can meet its need for new spectrum in two ways, by acquiring spectrum held by others or by acquiring new spectrum licenses from the FCC. The Communications Act requires the FCC to award new licenses for most commercial wireless services to applicants through a competitive bidding process. Therefore, if the Company needs additional spectrum, it may be able to acquire that spectrum by participating in an auction for any new licenses that may become available or by purchasing existing facilities and incorporating them into its system, provided that it is permitted to do so under FCC rules. The

Communications Act requires prior FCC approval for acquisitions by the Company of other cellular telephone systems licensed by the FCC and transfers by the Company of a controlling interest in any of its licenses or any rights thereunder. Although there can be no assurance that any future requests for approval or applications filed by the Company will be approved or acted upon in a timely manner by the FCC, based upon its experience to date, the Company has no reason to believe such requests or applications would not be approved or

granted in due course.

The Communications Act prohibits the holding of a common carrier license (such as the Company's cellular licenses) by a corporation of which more than 20% of the capital stock is owned directly or voted by non-U.S. citizens or their representatives, by a foreign government or its representatives or by a foreign corporation. Where a corporation such as the Company controls another entity that holds an FCC license, such corporation may not have more than 25% of its capital stock owned directly or voted by non-U.S. citizens or their representatives, by a foreign government or its representatives or by a foreign corporation, in each case, if the FCC finds that the public interest would be served by such prohibitions. The 25% limitation has been relaxed with regard to certain foreign investors pursuant to a World Trade Organization treaty and FCC actions implementing the treaty. Failure to comply with these requirements may result in the FCC issuing an order to the Company requiring divestiture of alien ownership to bring the Company into compliance with the Communications Act. In addition, fines or a denial of renewal, or revocation of the license are possible.

From time to time, federal and state legislators may propose legislation which could potentially affect the Company, either beneficially or adversely. On February 8, 1996, the Telecommunications Act of 1996 (the "Telecom Act") was signed into law, revising the Communications Act to eliminate unnecessary regulation and to increase competition among providers of communications services. The Company cannot predict the future impact of legislation on its operations.

Major provisions of the Telecom Act affecting the Company are as follows:

INTERCONNECTION. The Telecom Act required state public utilities commissions and the FCC to implement policies that mandate cost-based reciprocal compensation between cellular carriers and local exchange carriers ("LEC") for interconnection services.

Under reciprocal compensation, a cellular licensee is entitled to collect the same charges for terminating wireline-to-wireless traffic on their system that the LECs charge for terminating wireless-to-wireline calls. Interconnection agreements are typically negotiated by carriers, but in the event of a dispute, state public utility commissions, courts and the FCC all have a role in enforcing the interconnection provisions of the Telecom Act. The Company has renegotiated interconnection agreements with LECs in the Company's markets. These renegotiations have resulted in a substantial decrease in interconnection expenses incurred by the Company. Interconnection agreements are subject to modification, expiration or termination in accordance with their terms. The FCC has begun a proceeding that is reassessing its interconnection compensation rules.

FACILITIES SITING FOR PERSONAL WIRELESS SERVICES. The siting and construction of cellular transmitter towers, antennas and equipment shelters are often subject to state or local zoning, land use and other regulation. Such regulation may require zoning, environmental and building permit approvals or other state or local certification.

The Telecom Act provides that state and local authority over the placement, construction and modification of personal wireless services (including cellular and other commercial mobile radio services and unlicensed wireless services) shall not prohibit or have the effect of prohibiting personal wireless services or unreasonably discriminate among providers of functionally equivalent services. In addition, local authorities must act on requests made for siting in a reasonable period of time and any decision to deny must be in writing and supported by substantial evidence. Appeals of zoning decisions that fail to comply with the provisions of the Telecom Act can be made on an

expedited basis to a court of competent jurisdiction, which can be either federal district or state court. In addition, the Telecom Act codified the Presidential memorandum on the use of federal lands for siting wireless facilities by requiring the President or his designee to establish procedures whereby federal agencies will make available their properties, rights of ways and other easements at a fair and reasonable price for service dependent upon federal spectrum.

ENVIRONMENTAL EFFECT OF RADIO FREQUENCY EMISSIONS. The Telecom Act provides that state and local authorities cannot regulate personal wireless facilities based on the environmental effects of radio frequency emissions if those facilities comply with the federal standard.

UNIVERSAL SERVICE. The Telecom Act also provides that all communications carriers providing interstate communications services, including cellular carriers, must contribute to the federal universal service support mechanisms established by the FCC. The FCC also provided that any cellular carrier is potentially eligible to receive universal service support. The universal service support fund will support telephone service in high-cost and low-income areas and support access to telecommunications facilities

by schools, libraries and rural health care facilities. Many states are also moving forward to develop state universal service fund programs. A number of these state funds require contribution, varying greatly from state to state, from cellular carriers such as the Company. The Company has revised its customer billing to reflect additional costs related to these universal service fund requirements. The FCC has been considering whether carriers who decide to pass through their mandatory universal service contributions to their customers should be required to provide a specific explanation of the charges on the bills, as well as other aspects of the universal service contribution, including whether to change the method for calculating each carrier's contribution from being revenue-based to connection-based. The FCC has also initiated a proceeding to determine whether it should spread its universal service support fund contribution requirements to additional classes of telecommunications carriers. There can be no guarantee that the Company will be able to continue to pass the costs of the fund requirements on to its subscribers in the future.

OTHER RECENT INDUSTRY DEVELOPMENTS. The FCC has a number of other complex requirements and proceedings that affect the operation of the Company's business. For example, FCC rules currently require wireless carriers to make available emergency 911 services, including enhanced emergency 911 services that provide the caller's telephone number, introduction of call origination location services, and a requirement that emergency 911 services be made available to users with speech or hearing disabilities. The Company also is subject or potentially subject to number portability obligations; rules governing billing and subscriber privacy; rules governing wireless resale and roaming obligations; rules that require wireless service providers to configure their networks to facilitate electronic surveillance by law enforcement officials; and rules requiring the Company to offer equipment and services that are accessible to and usable by persons with disabilities. These requirements are the subject of pending FCC or judicial proceedings, and we are unable to predict how they may affect our business, financial condition or results of operations.

The FCC has eliminated its cellular-PCS cross ownership rule, but retained its cellular cross-interest rule, which limits an entity's ownership interest in cellular licenses on different channel blocks (i.e., A and B) in overlapping RSAs. The FCC recently decided to eliminate, by January 1, 2003, its spectrum cap on aggregation of commercial mobile radio service (CMRS) spectrum. Under the

FCC's current spectrum cap rules, a cellular license and its affiliates may not hold an attributable interest in more than 55 MHz of cellular, broadband PCS and SMR spectrum in a single MSA or RSA. After January 1, 2003, the FCC will eliminate the spectrum cap entirely and instead implement a case-by-case review process to satisfy its obligation to ensure that CMRS spectrum acquisitions do not have anticompetitive effects.

The Communications Act generally preempts state and local regulation of the entry of, or the rates charged by, any provider of cellular service. The FCC, to date, has denied all state petitions to regulate the rates charged by commercial mobile radio service providers. State and local governments are permitted to manage public rights of way and can require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis for the use of such rights of way by telecommunications carriers, so long as the compensation required is publicly disclosed by the government. States may also impose competitively neutral requirements that are necessary for universal service, conserving telephone numbering resources, protecting the public safety and welfare, ensuring continued service quality and safeguarding the rights of consumers. While a state may not impose requirements that effectively function as barriers to entry or create a competitive disadvantage, the scope of state authority to maintain existing or to adopt new such requirements is unclear.

CERTAIN TERMS

Interests in cellular markets that are licensed by the FCC are commonly measured on the basis of the population of the market served with each person in the market area referred to as a "Pop". The number of Pops or Net Pops owned is not necessarily indicative of the number of subscribers or potential subscribers. As used herein, unless otherwise indicated, the term "Pops" means the estimate of the 2000 population of an MSA or RSA, as derived from the 2000 Paul Kagan and Associates Market Information Service. MSAs and RSAs are also referred to as "markets". The term "wireline" license refers to the license for any market initially awarded to a company or group that was affiliated with a local landline telephone carrier in the market, and the term "non-wireline" license refers to the license for any market that was initially awarded to a company, individual or group not affiliated with any landline carrier. The term "System" means an FCC-licensed cellular telephone system.

EMPLOYEES

At December 31, 2001, the Company had approximately 750 full-time employees, none of whom is represented by a labor organization. Management considers its relations with employees to be good.

ITEM 2. PROPERTIES

For each market served by the Company's operations, the Company maintains at least one sales or administrative office and operates a number of cell transmitter and antenna sites. As of December 31, 2001, the Company had approximately 41 leases for

retail stores used in conjunction with its operations and four leases for administrative offices. The Company also had approximately 285 leases to accommodate cell transmitters and antennas as of December 31, 2001.

The Company leases space for its headquarters in New York City. (See Note 13 of the Notes to Consolidated Financial Statements for information on minimum

lease payments by the Company and its subsidiaries for the next five years.)

ITEM 3. LEGAL PROCEEDINGS

The Company is not currently involved in any pending legal proceedings likely to have a material adverse impact on the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not Applicable

PART II

ITEM 5. MARKET FOR COMPANY'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

(a) MARKET FOR COMMON STOCK

PCC is listed on the New York Stock Exchange ("NYSE") under the ticker symbol "PR". The range of high and low last sale prices for PCC's Common Stock on the NYSE for each of the quarters of 2001 and 2000 as reported by the NYSE was:

	2002		2001		
QUARTER	HIGH	LOW	HIGH	LOW	H
First (through March 15, 2002).........	$19.25	$17.72	$20.17	$16.00	$2
Second................................			20.25	16.15	2
Third.................................			20.35	15.00	2
Fourth................................			20.13	16.05	2

PCC's Common Stock has been afforded unlisted trading privileges on the Pacific Stock Exchange under the ticker symbol "PR.P", on the Chicago Stock Exchange under the ticker symbol "PR.M" and on the Boston Stock Exchange under the ticker symbol "PR.B" and trades in Euros on the Frankfurt and Munich Stock Exchanges.

(b) HOLDERS

On March 15, 2002, there were approximately 400 holders of record of PCC's Common Stock. The Company estimates that brokerage firms hold Common Stock in street name for approximately 3,100 persons.

(c) DIVIDENDS

PCC to date, has paid no cash dividends on its Common Stock. The Board of Directors will determine future dividend policy based on the Company's earnings, financial condition, capital requirements and other circumstances.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following tables contain certain consolidated financial data with respect to the Company and for Palmer Wireless, Inc. ("Predecessor") for the periods and dates set forth below. This information has been derived from the audited consolidated financial statements of the Company and Predecessor or the Company's unaudited data.

The following data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and Notes thereto, included elsewhere herein.

	CONSOLIDATED OPERATING YEAR ENDED DEC		
	2001	2000	1999
Service Revenue	$ 245,817	$ 252,513	$ 233,575
Equipment Sales and Installation	17,731	17,995	15,548
Revenue	263,548	270,508	249,123
Engineering, Technical and Other Direct Expenses	32,796	25,321	29,666
Cost of Equipment	33,028	32,685	28,650
Selling, General and Administrative Expenses	74,738	64,984	65,150
Non-cash Compensation - Selling, General and Administrative	3,649	3,649	1,973
Depreciation and Amortization	47,975	46,981	45,157
Operating Income	71,362	96,888	78,527
Other Income (Expense):			
Interest, net	(61,248)	(59,661)	(72,892)
Other, net	7,157	7,711	12,251
Total Other Income (Expense)	(54,091)	(51,950)	(60,641)
Minority Interest	(631)	(1,432)	(1,664)
Extraordinary Item-Loss on Early Extinguishment of Debt (net of tax benefit of $15,893)	--	--	--
Cumulative effect on prior year of change in revenue recognition (net of tax expense of $92)	--	(158)	--
Income Tax (Expense) Benefit	(5,695)	(14,972)	(6,002)
Net Income (Loss)	$ 10,945	$ 28,376	$ 10,220
Per Share Amounts (1):			
Basic Earnings (Loss) Per Share Before Cumulative Effect of Accounting Change and Extraordinary Item	$ .20	$ .51	$ .22
Basic Earnings (Loss) per share for Accounting Change and Extraordinary Item	--	--	--
Basic Earnings (Loss) Per Share	$ .20	$ .51	$ .22
Diluted Earnings Per Share Before and After Cumulative Effect of Accounting Change and Extraordinary Item	$ .20	$ .50	$ .22
OTHER DATA:			
Capital Expenditures	$ 18,620	$ 27,218	$ 24,575
Operating Income Before Depreciation and			

Amortization - Adjusted EBITDA (2)	$ 125,457	$ 150,367	$ 130,150
Adjusted EBITDA Margin on Service Revenue	51.0%	59.6%	55.7%
Net Cash Provided By (Used In):			
Operating Activities	$ 67,745	$ 63,075	$ 74,591
Investing Activities	10,381	(41,490)	(30,746)
Financing Activities	(12,387)	(32,108)	(57,613)
Penetration (3)	16.60%	15.89%	13.65%
Subscribers at the End of Period (4)	570,405	528,405	453,984
Cost to Add a Gross Subscriber (5)	$ 168	$ 177	$ 199
Cost to Add a Net Subscriber (6)	$ 945	$ 509	$ 471
Average Monthly Revenue per Subscriber (7)	$ 49.95	$ 53.93	$ 56.11
Average Monthly Churn (8)	2.14%	1.90%	1.95%
Ratio of Earnings to Fixed Charges (9)	1.24x	1.61x	1.21x

(1) Per share amounts have been retroactively adjusted to reflect 5 for 4 stock splits in May 1999, January 1999, April 1998 (2), and December 1997, the 2 for 1 stock split in August 1998 and the 5% stock dividend in August 1999.

(2) Adjusted EBITDA represents operating income before Depreciation and Amortization, non-cash compensation, and overhead of the parent company for 2001 ($2.5 million), 2000 ($2.8 million), 1999 ($4.5 million), 1998 ($4.2 million) and 1997 ($3.9 million). Adjusted EBITDA may not be identical to similarly titled measures reported by other companies. Adjusted EBITDA should not be considered in isolation or as an alternative measurement of operating performance or liquidity to net income (loss), operating income (loss), cash flows from operating activities or any other measure of performance under GAAP. The Company believes that adjusted EBITDA is viewed as a relevant supplemental measure of performance in the cellular telephone industry.

(3) Determined by dividing the aggregate number of subscribers by the estimated population.

(4) Each billable telephone number in service represents one subscriber.

(5) Determined for a period by dividing (i) costs of sales and marketing, including salaries, commissions and employee benefits and all expenses incurred by sales and marketing personnel, agent commissions, credit reference expenses, losses on cellular telephone sales, rental expenses allocated to retail operations, net installation expenses and other miscellaneous sales and marketing charges for such period, by (ii) the gross subscribers added during such period.

(6) Determined for a period by dividing (i) costs of sales and marketing, including salaries, commissions and employee benefits and all expenses incurred by sales and marketing personnel, agent commissions, credit reference expenses, losses on cellular telephone sales, rental expenses allocated to retail operations, net installation expenses and other miscellaneous sales and marketing charges for such period, by (ii) the net subscribers added during such period.

(7) Determined for a period by dividing (i) the sum of the access, airtime, roaming, long distance, features, connection, disconnection and other revenues for such period by (ii) the average number of post paid subscribers for such period divided by the number of months in such period.

(8) Determined for a period by dividing total subscribers discontinuing service by the average number of subscribers for such period, and dividing that result by the number of months in such period.

(9) The ratio of earnings to fixed charges is determined by dividing the sum of earnings before interest expense, taxes and a portion of rent expense

representative of interest by the sum of interest expense and a portion of rent expense representative of interest. The ratio of earnings to fixed charges is not meaningful for periods that result in a deficit. For the years ended December 31, 1998 and 1997, the deficit of earnings to fixed charges was $41,584 and $8,949, respectively.

(10) Operating information for PCC in 1997 includes the cellular operating results of PCW for the period subsequent to the acquisition of Predecessor.

	CONSOLIDATED BALANCE SHEET IT AS OF DECEMBER 31,			
	2001	2000	1999	
Total Current Assets....................	$ 289,392	$ 254,287	$ 229,226	$
Total Assets...........................	1,261,698	1,264,803	1,258,620	
Total Current Liabilities..............	56,751	50,672	51,626	
Long-Term Debt.........................	700,000	700,000	700,000	
Shareholders' Equity...................	175,642	172,612	173,190	

	CONSOLIDATED OPERATING STATEMENT ITEMS FOR PREDECESSOR
	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1997
Revenue:	
Cellular Service	$ 134,123
Equipment Sales and Installation	7,613
Total Revenue	141,736
Engineering, Technical and Other Direct Expenses	23,301
Cost of Equipment	16,112
Selling, General and Administrative Expenses	41,014
Depreciation and Amortization	25,498
Operating Income	35,811
Other Income (Expense):	
Interest, net	(24,467)
Other, net	208
Total Other Expenses	(24,259)
Minority Interest	(1,310)
Income Tax Expense	(4,153)
Net Income	$ 6,089

	=========
OTHER DATA:	
Capital Expenditures	$ 40,757
Operating Income Before Depreciation and .Amortization ("EBITDA") (2)	$ 61,309
EBITDA Margin on Service Revenue	45.7%
Net Cash Provided By (used in):	
Operating Activities	$ 38,791
Investing Activities	(73,759)
Financing Activities	36,851
Penetration (3)	8.60%
Subscribers at the End of Period (4)	337,345
Cost to Add a Net Subscriber (5)	$ 514
Average Monthly Service Revenue per Subscriber (6)	$ 53.99
Average Monthly Churn (7)	1.89%
Ratio of Earnings to Fixed Charges (8)	1.45x

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to facilitate an understanding and assessment of significant changes and trends related to the financial condition and results of operations of the Company. This discussion should be read in conjunction with the Company's Consolidated Financial Statements and the related Notes thereto.

The discussion contains statements which constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are made regarding the intent, belief or current expectations of the Company and its directors or officers primarily with respect to the future operating performance of the Company. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those in the forward-looking statements as a result of factors, many of which are outside the control of the Company. If the agreement to contribute the business of Price Communications Wireless is consummated, past operations will not necessarily be indicative of future performance (see "Agreement to Contribute Business of Price Communications Wireless").

OVERVIEW

The Company is engaged in the construction, development, management and operation of cellular telephone systems in the southeastern United States. As of December 31, 2001, the Company provided cellular telephone service to 570,405 subscribers in Georgia, Alabama, South Carolina and Florida in a total of 16 licensed service areas, composed of eight MSA's and eight RSA's, with an aggregate estimated population of 3.4 million. The Company sells its cellular telephone service as well as a full line of cellular products and accessories principally through its network of retail stores. The Company markets all of its products and services under the nationally recognized service mark CELLULARONE.

RESULTS OF OPERATIONS

The following table sets forth for the periods indicated, the percentage which certain amounts bear to total revenue.

	FOR THE YEAR ENDED DECEMBER 31,		
	2001	2000	19
REVENUE:			
Service	93.3%	93.4%	93
Equipment sales and installation	6.7	6.6	6
Total Revenue	100.0	100.0	100
OPERATING EXPENSES:			
Engineering, technical and other direct:			
Engineering and technical (1)	6.6	5.2	5
Other direct costs of services (2)	5.9	4.1	6
Cost of equipment (3)	12.5	12.1	11
Selling, general and administrative:			
Selling and marketing (4)	9.2	8.6	8
Customer service (5)	8.2	7.4	6
General and administrative (6)	10.9	8.0	11
Non-cash compensation	1.4	1.4	
Depreciation and amortization	18.2	17.4	18
TOTAL OPERATING EXPENSES	72.9	64.2	68
OPERATING INCOME	27.1%	35.8%	31
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION AND NON-CASH COMPENSATION (7)	46.7%	54.5%	50

(1) Consists of costs of cellular telephone network, including inter-trunk costs, span-line costs, cell site repairs and maintenance, cell site utilities, cell site rent, engineers' salaries and benefits and other operational costs.

(2) Consists of net costs of roaming, costs of prepaid service, costs of long distance, costs of interconnection with wireline telephone companies and other costs of services.

(3) Consists primarily of the costs of the cellular telephones and accessories sold, sales and marketing personnel, employee and agent commissions.

(4) Consists primarily of salaries and benefits, sales commissions and advertising and promotional expenses.

(5) Consists primarily of salaries and benefits of customer service personnel and costs of printing and mailing subscriber's bills.

(6) Includes salaries and benefits of general and administrative personnel and other overhead expenses.

(7) Operating income before depreciation and amortization and non-cash compensation ("EBITDA") should not be considered in isolation or as an alternative to net income, operating income or any other measure of performance under generally accepted accounting principles. The Company believes that operating income before depreciation and amortization and non-cash compensation is viewed as a relevant supplemental measure of performance in the cellular telephone industry.

YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

Although the Company experienced subscriber growth during the year ended December 31, 2001, increasing their total subscribers by 7.9% to 570,405 and the related increase in penetration from 15.9% to 16.9%, the decrease in outcollect roaming revenue and its related toll, more than offset the increase in local revenue resulting in decreased operating income. Excluding outcollect air and toll revenue, the average revenue per post paid subscriber increased from $35.94 for the year ended December 31, 2000 to $36.67 for the current year. The Company was also negatively affected by an increase in the provision for bad debts ($6.5 million), which combined with decreased outcollect revenue accounts primarily for the Company's decreased operating income.

REVENUE. Service revenues totaled approximately $245.8 million for the current year compared to approximately $252.5 million for 2000 or a decrease of 2.7%. The $6.7 million decrease is principally a result of the reduction in outcollect air and toll revenue ($15.0 million). Partially offsetting this decrease, is an increase in access revenue ($8.7 million) principally due to an increase in the average revenue per rate plan combined with added post paid subscribers for the current twelve month period. Although the company was able to realize an increase in its average access revenue per plan, there was a corresponding increase in the number of free minutes included with these plans which resulted in a decrease of $2.5 million in post paid airtime revenue. As the Company moved toward the increased usage of multi state and national plans, there was a decrease in the amount of long distance revenue billed to its subscribers ($880,000). The number of prepaid subscribers increased during the current year, which increased prepaid revenue by $2.0 million. Other local revenue items resulted in an increase of $957,000 for the current twelve month period. The reduction in outcollect air and toll revenue is a combination of reduced average reimbursement rates ($.31 for the year ended December 31, 2000 compared to $.25 for the current year) and minutes of use (119.1 million minutes for the current year compared with 129.9 million minutes for last year). The decreasing reimbursement rates are a result of increased competition for roaming traffic which led to reduced negotiated contractual rates with other cellular carriers. This trend may continue as a result of new roaming rates negotiated with some of the Company's roaming partners as well as the increased number of wireless carriers in each market which can be utilized by other carriers' subscribers.

Equipment and installation revenue was $17.7 million for the current year compared to $18.0 million in 2000. An increase in the number of handsets sold or upgraded (10,273 additional units for the current year) resulted in an increase of $651,000 for phone revenue. For the current year, excluding upgrades, the Company sold 227,633 handsets of which 151,085 were digital (66.4%) and 76,548 were analog (33.6%). For the prior year, 223,284 handsets were sold of which 85,044 were digital (38.1%) and 138,240 were analog (61.9%). A reduction of $915,000 of accessory sales and installation revenue more than offset the increase in handset revenue. Historically prepaid customers buy fewer accessories than traditional post paid customers which contributed to the decrease in accessory revenue.

OPERATING EXPENSES. Operating expenses increased $18.6 million from $173.6 million in 2000 to $192.2 million in 2001. As a percentage of total revenue, operating expenses increased from 64.2% of total revenue in 2000 to 72.9% of total revenue in 2001. After excluding non-cash compensation and depreciation and amortization, operating expenses amount to 45.5% of total revenue for 2000 compared to 53.3% of total revenue for 2001. Total operating costs per subscriber excluding PCC overhead and all non-cash charges amounted to $18.17 in 2001 compared with $17.27 in 2000.

Engineering, technical and other direct expenses increased from $25.3 million in 2000 to $32.8 million in 2001. There are three major components in this category. The net cost of incollect roaming, which represents the difference between the amount paid to other cellular carriers for the Company's

subscribers roaming in other carriers' markets and the amount charged to these subscribers, variable network costs such as inter-trunk, long distance and directory assistance costs, and engineering costs which consist principally of salaries and related fringe benefits, fixed span line costs and tower rentals.

As a result of negotiations with other cellular carriers (see comments above concerning outcollect revenue), the Company was able to reduce the amount it reimburses those carriers for incollect roaming resulting in net incollect revenue of $1.9 million for the current year compared to net revenue of $1.1 million for 2000. Incollect costs before the revenue offset dropped from $33.4 million in 2000 to $24.3 million in the current year. Significantly offsetting the reduction in cost was a reduction in revenue billed

to the Company's subscribers for their roaming activity. As the Company offers more multi-state and nationwide programs, the minutes associated with roaming decreases. These minutes become home minutes for purposes of billing and are then included in the total number of free minutes each subscriber has depending on their particular plan, which in turn may or may not create airtime revenue for the Company. Incollect revenue including toll decreased from $34.5 million in 2000 to $26.1 million in 2001. This reduction was augmented by decreased long distance and directory assistance costs resulting from renegotiated rates.

During the third quarter of 2000, the Company was forced to switch the vendor that dealt with the prepaid system as the previous vendor went out of business. As a result of the change, the additional cost to run the prepaid system included in direct expenses amounted to $2.5 million for the current year. Other direct costs, principally long distance, increased by $2.4 million for the current year due to an increase in usage.

Engineering costs in total increased from $14.1 million for the year ended December 31, 2000 to $17.4 million for the current year or an increase of $3.3 million. During the current year, the Company added 50 additional cell sites. The additional cell sites cause additions in cell site rent and utilities for the current year ($1.0 million). The additional sites also result in increases in fixed span line and inter trunk costs.

The total cost of equipment increased from $32.7 million in 2000 to $33.0 million for the current year. Without the cost of accessories actual handset costs decreased by $1.1 million despite the additional units sold or upgraded and the increasing demand for digital rather than analog handsets. The average handset cost decreased from $120 in 2000 to $99 for the current year. As a percentage of recovered cost, the Company recovered 55.1% of the cost of equipment in 2000 compared to a recovery of 53.7% in 2001 principally as a result of diminished accessory sales that have a positive margin and a decrease in installation revenue.

Selling, general and administrative ("SG&A") increased from $65.0 million for 2000 to $74.7 for the current year. As a percentage of total revenue, SG&A increased from 24.0% of total revenue in 2000 to 28.4% in 2001.

Sales and marketing costs included in SG&A are comprised of installation costs, salaries, commissions and advertising. The sum of these components amounted to $24.4 million for the year 2001 and $23.2 million for 2000. Increases in commissions and advertising accounted for the increase. The cost to add a gross subscriber, which consists of the net loss on equipment sales and sales and marketing expenditures, decreased from $178.46 in 2000 to $167.64 in 2001.

Customer service costs (also included in SG&A), primarily billing costs and payroll and related benefits, increased to $21.7 million in 2001 from $20.2 million in 2000. An increase of $2.6 million for the generation of subscriber's monthly statements, which include printing and mailing costs, are a direct function of the increases in the number of subscribers. Additional subscribers require an increase in the number of cellular bills mailed out, as well as an increase in the number of customer service representatives necessary to handle the subscriber inquiries. In addition, temporary costs related to the mandated area code changes in the markets contributed to the increase in costs. Offsetting these increases was a $2.0 million credit issued to the Company by its current billing vendor due to the problems encountered during the billing conversion (see bad debts included in General and administrative expenses described below).

General and administrative expenses the final component of SG&A increased to $28.7 million in 2001 from $21.6 million in 2000. The increase for the current year of $7.1 million is principally a result of the increase in the current year of the provision for bad debts, which increased from $4.2 million in 2000 to $10.7 million in 2001. During the fourth quarter of 2000, the Company changed its billing vendor when it learned that the previous billing vendor would not be a long-term participant in the cellular billing business. The transition encountered problems and as a result, the Company's collection efforts were hampered, which led to a longer average aging period of the Company's accounts receivable and a necessity to provide a higher provision for bad debts. In the fourth quarter of the current year, the Company has consolidated the collection process in one location in order to perform the collection process more efficiently. General and administrative expenses, excluding customer service costs, increased from 8.0% of revenue for the previous year to 10.9% for the current year.

Included in operating expenses for both 2001 and 2000 is a charge of $3.6 million representing the non-cash compensation charges related to the conversion by an officer of the Corporation of the Company's Preferred stock into common stock (see Notes to Consolidated Financial Statements). Such charges are being expensed over the vesting period of the common stock.

Depreciation and amortization increased from $47.0 million in 2000 to $48.0 million in 2001. The increase is a combination of additional depreciation expense due to the increase in capital equipment additions during 2000 and 2001 and additional amortization for other intangible assets.

Operating income decreased from $96.9 million in 2000 to $71.4 million in 2001. Earnings before non-cash compensation and depreciation and amortization ("EBITDA") amounted to $147.5 million for 2000 or 54.5% of total revenue compared to

$123.0 million or 46.6% of total revenue for 2000. The decline is primarily a function of the decrease in roaming air and toll revenue and the increase in the provision for bad debts.

INTEREST EXPENSE, OTHER INCOME, INCOME TAXES, AND NET INCOME. Net interest expense increased to $61.2 in 2001 from $59.7 million in 2000 principally as a result of an adjustment in 2000 for interest earned in a prior period.

Other income for 2001 includes $4.1 million resulting from the net gain on the sale of the Company's minority equity investment in other cellular properties. The remaining $3.1 million is principally attributed to net gains on security transactions of PCC. Other income for 2000 resulted largely from gains

from security transactions of PCC.

The income tax provision for 2001 of $5.7 million compared to the provision of $15.0 million in 2000 is principally a result of the decrease in financial statement taxable income in 2001 at an effective rate of approximately 37% adjusted for certain non- taxable security transactions in both years.

The net income of $10.9 million for 2001 compared to net income of $28.4 million for 2000 is a function of the items discussed above. During the prior year, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin No. 101 ("SAB 101") which requires the deferral of certain revenue over the approximate length of a subscribers' contract or over the remaining unused minutes for prepaid revenue. The effect on the prior year's financial statements was not material.

YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

Operating results for the year ended December 31, 2000 reflect the continued improvement in operating cash flow ("EBITDA"), subscriber growth and the related increase in penetration, a slight decrease in the Average Revenue Per Subscriber ("ARPU") and the continuation of strong cost controls which translate to a low average operating cost per subscriber.

REVENUE. Service revenues totaled approximately $252.5 million for the current year compared to approximately $233.6 million for 1999 or an increase of 8.1%. The increase is principally a result of the greater amount of access revenue ($5.7 million) due to the increase in the average number of post paid subscribers, as well as increases in toll revenue ($4.4 million), feature revenue ($2.5 million) and prepaid airtime revenue ($4.0 million). The increase in toll revenue is primarily due to the increase in the number of minutes used by post paid subscribers (an increase of 463 million minutes) which per subscriber increased from 250 minutes per post paid subscriber in 1999 to 318 minutes in 2000. Despite the increase in minutes of use, airtime revenue was flat as the Company's rate plans provided larger amounts of free minutes than in the past in order to remain competitive in its markets. As a result of increased competition for additional post paid cellular subscribers, the Company's local revenue per cellular subscriber decreased slightly from $40.16 in 1999 to $39.42 in 2000. In addition, the Company's outcollect roaming revenue, which is revenue that the Company derives from other cellular companies' subscribers roaming in our markets, increased by ($826,000) as a result of an increase in usage from 105.8 million minutes in 1999 to 129.9 million minutes in 2000, partially offset by reduced reimbursement rates from the other carriers. The Company expects this trend to continue as a result of new roaming rates negotiated with some of the Company's roaming partners as well as the increased number of wireless carriers in each market which can be utilized by other carriers.

Equipment and installation revenue amounted to $18.0 million for the current year compared to $15.5 million in 1999. The increase in equipment revenue of 16.1% is primarily a combination of a greater number of gross pre and post paid subscriber additions (39,409 increase over 1999) as well as a greater emphasis on accessory sales to new subscribers.

OPERATING EXPENSES. Operating expenses increased $3.0 million from $170.6 million in 1999 to $173.6 million in 2000. As a percentage of total revenue, operating expenses decreased from 68.5% of total revenue in 1999 to 64.2% of total revenue in 2000. After excluding non-cash compensation and depreciation and amortization, operating expenses amount to 45.5% of total revenue for 2000 compared to 49.6% of total revenue for 1999. Total operating costs per cellular subscriber excluding PCC overhead and all non-cash charges amounted to $17.27 in 2000 and $20.68 in 1999.

Engineering, technical and other direct expenses decreased from $29.7

million in 1999 to $25.3 million in 2000. There are three major components in this category. The net cost of incollect roaming, which represents the difference between the amount paid to other cellular carriers for the Company's subscribers roaming in other carriers' markets and the amount charged to these subscribers, variable network costs such as inter trunk, long distance and directory assistance costs, and engineering costs which consist principally of salaries and related fringe benefits, fixed span line costs and tower rentals.

As a result of negotiations with other cellular carriers (see comments above concerning outcollect revenue), the Company was able to reduce the amount it reimburses those carriers for incollect roaming resulting in net incollect revenue of $1.1 million for the current year compared to a net cost of $4.0 million for 1999. This reduction was augmented by decreased long distance and

directory assistance costs resulting from renegotiated rates. Partially offsetting these cost savings, were increases in variable telephone costs such as interconnect and reverse toll charges as well as the direct cost of prepaid usage due to the increase in prepaid revenue and the implementation of a new prepaid software system.

Decreases in engineering salaries and related expenses were offset by increases in fixed span line costs and additional cell site rental costs as the Company continued to build out its system by adding 56 new cell sites and increasing the number of radios in the existing cell sites.

The increase in gross subscriber additions combined with the increase in cellular phone upgrades as well as the higher cost of digital phones, resulted in an increase of the cost of equipment sold from $28.7 million in 1999 to $32.7 million in 2000. In addition, increases in the sale of accessories contributed to the increase. As a percentage of recovered cost, the Company recovered 55.1% of the cost of equipment in 2000 compared to a recovery of 54.3% in 1999.

Selling, general and administrative ("SG&A") decreased slightly from $65.2 million for 1999 to $65.0 for the current year. As a percentage of total revenue, SG&A decreased from 26.2% of total revenue in 1999 to 24.0% in 2000. Sales and marketing costs which include installation costs, salaries, commissions and advertising, amounted to $23.2 million for the year 2000 and $21.5 million for 1999. Increases in salaries and related benefits, commissions and advertising expenditures increased in total by $1.2 million as the number of gross activations increased for the current year. The cost to add a gross subscriber, which consists of the net loss on equipment sales and sales and marketing expenditures, decreased from $198.68 in 1999 to $177.63 in 2000.

Customer service costs, primarily billing costs and payroll and related benefits, increased to $20.2 million in 2000 from $16.4 million in 1999. Increases in personnel and billing costs are a direct function of the increases in the number of subscribers. Additional subscribers require an increase in the number of cellular bills mailed out, as well as an increase in the number of customer service representatives necessary to handle the additional subscriber inquiries.

General and administrative expenses were reduced to $21.6 million in 2000 compared with $27.3 million in 1999. The Company's provision for bad debts decreased from $7.1 million in 1999 to $4.2 million in 2000 due to additional customer service staffing, as well as the utilization of outside collection services. Additional savings in PCC overhead ($1.6 million reduction principally from payroll related costs) as well as reductions in legal and professional fees ($800,000) and computer support services ($1.0 million) contributed to the $5.6

million reduction in expenses.

Included in operating expenses for 2000 and 1999 is a charge of $3.6 million and $2.0 million representing the non-cash compensation charges related to the conversion by an officer of the Corporation of the Company's Preferred stock into common stock (see Notes to Consolidated Financial Statements). Such charges are being expensed over the vesting period of the common stock. The conversions occurred during 1998 and 1999. Since the conversions occurred in varying stages prior to December 31, 1999, the year 2000 has a full year of amortization whereas 1999 has less than twelve months.

Depreciation and amortization increased from $45.2 million in 1999 to $47.0 million in 2000. The increase is primarily a result of additional depreciation expense due to the significant capital equipment additions during 1999 and 2000.

Operating income grew from $78.5 million 1999 to $96.9 million in 2000. Earnings before non-cash compensation and depreciation and amortization ("EBITDA") amounted to $147.5 million for 2000 or 54.5% of total revenue compared to $125.7 million or 50.4% of total revenue for 1999. The improvement is a function of management's ability to control costs while still maintaining subscriber growth. The increase in EBITDA from 1999 to 2000 represents a growth of 17.3%.

INTEREST EXPENSE, OTHER INCOME, INCOME TAXES, AND NET INCOME. Interest expense decreased to $71.4 in 2000 from $82.6 million in 1999. During 1999, long term debt consisted of, $175 million of 11 3/4% Senior Subordinated Notes, $525 million of 9 1/8% Senior Secured Notes and $200 million of 11 1/4% Senior Exchangeable Payable-in-Kind Notes. In June 1999, the Company allowed the conversion of the $200 million 11 1/4% Payable-in-Kind Notes and therefore incurred an additional six months of interest expense. The increase of $2.0 million in interest income is a result of the increase in the average rate the Company earned on its cash during the year.

Other income for 2000 resulted largely from gains from security transactions of the Parent company and in 1999 resulted primarily from the liquidation of a long-standing investment by the Company ($8.5 million) combined with net gains realized from security transactions by the Parent Company.

The income tax provision for 2000 of $15.0 million compared to the provision of $6.0 million is principally a result of the increase in taxable income in 2000 at an effective rate of approximately 37%.

The net income of $28.4 million for 2000 compared to net income of $10.2 million for 1999 is a function of the items discussed above. During the current year, the Company adopted Securities and Exchange Commission Staff Accounting Bulletin No. 101 ("SAB 101") which requires the deferral of certain revenue over the approximate length of a subscribers' contract or over the remaining unused minutes for prepaid revenue. The effect on the current financial statements was not material.

LIQUIDITY AND CAPITAL RESOURCES

The Company's long-term capital requirements consist of funds for capital

expenditures, acquisitions and debt service. Historically, the Company has met its capital requirements primarily through equity contributions, long-term debt, and to a lesser extent, operating cash flow. Net cash provided by operating activities amounted to $67.7 million for the year ended December 31, 2001. Working capital at December 31, 2001 approximated $232.6 million. The current level of operating cash flow is sufficient to fund the current anticipated level of capital expenditures and cash interest, which interest amounts to approximately $68.5 million related to the $175 million 11 3/4% Senior Subordinated Notes due July 15, 2007 and the $525 million 9 1/8% Senior Secured Notes due December 15, 2006. The 9 1/8% notes are callable after June 15, 2002, and the 11 3/4% notes are callable after July 15, 2002. In addition, the Company is obligated for operating leases of real and personal property for the years subsequent to December 31, 2001 in the amount of $18.2 million. Further details regarding the notes and lease obligations can be found in the Notes to the Company's Consolidated Financial Statements.

The Company's cash flow from operating activities is principally a result of net income adjusted for non-cash charges and marketable security transactions. The change in accounts receivable positively effected the 2001 cash from operating activities and negatively effected the 2000 cash from operating activities. The year ended December 31, 2000, saw a large increase in accounts receivable as a result of the change in billing vendors during the latter part of 2000 and the resulting problems with the conversion as previously discussed. The difficulty incurred with the conversion caused customers statements to be mailed later than normal which resulted in a delay in cash payments from the Company's subscribers. During the year ended December 31, 2001, the Company reduced their receivable balance to a level comparable to the balance at the end of 1999 which resulted in a positive cash flow of $13.2 million compared to a decrease of $12.4 million for 2000. Contributing to the decrease in the level of accounts receivable was the centralization of the collection process, resolution of the conversion issues and an increase of $5.9 million for accounts receivable reserved.

The Company spent a lower amount for capital expenditures for the current year as compared to the previous two years resulting in a decrease of $8.6 million and $6.0 million for the current year when compared with 2000 and 1999, respectively. At December 31, 2001, the Company had sold most of its marketable securities and had sold its investment in other cellular properties. The Company also repurchased less of its common stock, which was the principal component of cash used in financing activities.

Assuming the Verizon transaction takes place during the second quarter of 2002, cash flows from the partnership will not be available to the Company until the third quarter of 2004 whereupon 50% of the interest earned on its capital account in the limited partnership will be distributed if available. Any other cash income will be generated from interest or other investments the Company acquires after the Verizon transaction is completed.

ACCOUNTING POLICIES

For financial reporting purposes, the Company reports 100% of revenues and expenses for the markets for which it provides cellular telephone service. However, in several of its markets, the Company held less than 100% of the equity ownership prior to December 31, 2001. The minority stockholders' and partners' share of income or losses in those markets is reflected in the consolidated financial statements as "minority interest" except for losses in excess of their capital accounts and cash call provisions which are not eliminated in consolidation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company generally utilizes fixed debt to fund its acquisitions.

Management believes that the use of fixed rate debt minimizes the Company's exposure to market conditions and the ensuing increases and decreases that could arise with variable rate financing. See notes to consolidated financial statements for description and terms of long term debt.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

SEE INDEX TO CONSOLIDATED FINANCIAL STATEMENTS ON PAGE 30.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

The information called for by Items 10, 11, 12 and 13 is incorporated herein by reference from the following portions of the proxy statement/prospectus filed jointly on Form S-4 by PCC, Verizon Wireless of the East LP and Verizon Communications Inc. in connection with PCC's 2002 Annual Meeting of Shareholders.

	ITEM	INCORPORATED FROM
ITEM 10.	Directors and Executive Officers of the Registrant	"Directors and Executive Officers" a "Section 16(a) Beneficial Ownership Reporting Compliance"
ITEM 11.	Executive Compensation	"Directors and Executive Compensatio Executive Compensation" and "Related Transactions"
ITEM 12.	Security Ownership of Certain Beneficial Owners and Management	"Principal Shareholders and Security Ownership of Management"
ITEM 13.	Certain Relationships and Related Transactions	"Directors and Executive Compensatio "Related Transactions"

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) (1) and (2) List of financial statements and financial statement schedules:

See "Index to Consolidated Financial Statements" on page 30.

(Schedules other than those listed are omitted for the reason that they are not required or are not applicable or the required information is shown in the financial statements or notes thereto.)

(3) Exhibits

See Exhibit Index at page E-1, which is incorporated herein by reference.

(b) Reports on Form 8-K.

Form 8-K filed on January 4, 2002, reporting agreement to contribute substantially all of the assets of PCC's operating subsidiary, Price Communications Wireless, Inc., to Verizon Wireless, for a limited partnership interest in a newly formed limited partnership.

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PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

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PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

FINANCIAL STATEMENTS SCHEDULES

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Price Communications Corporation:

We have audited the accompanying consolidated balance sheets of Price Communications Corporation (a New York Corporation) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2001. These consolidated financial statements and the schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedules based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements

are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Price Communications Corporation and subsidiaries as of December 31, 2001 and 2000, and the results of its operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

As discussed in Note 3, the Company changed its methodology for revenue recognition in the year ended December 31, 2000.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the index to consolidated financial statements are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

New York, New York
February 25, 2002

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PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2001 AND 2000
($ IN THOUSANDS EXCEPT SHARE DATA)

Current assets:
Cash and cash equivalents ....
Accounts receivable, net of allowance for doubtful accounts of $1,196 in 2001 and $1,396 in 20
Receivables from other cellular carriers ....
Available for sale securities ....
Inventory ....
Deferred income taxes ....
Prepaid expenses and other current assets ....

Total current assets ....

Property and equipment:
Land and improvements ....

Buildings and improvements ....
Equipment, communication systems and furnishings ....

Less accumulated depreciation ....

Net property and equipment ....
Equity investment in other cellular properties ....
Licenses, net of accumulated amortization of $97,428 in 2001 and $74,628 in 2000 ....
Other intangible and other assets, net of accumulated amortization of $9,538 in 2001 and
$6,555 in 2000 ....

Total assets ....

Current liabilities:
Accounts payable ....
Accrued interest payable ....
Accrued salaries and employee benefits ....
Deferred revenue ....
Customer deposits ....
Outstanding put option contract ....
Income taxes payable ....
Accrued engineering, technical and other direct ....
Excise and sales taxes payable ....
Minority interests ....
Other current liabilities ....

Total current liabilities ....
Long-term debt ....
Accrued income taxes long-term ....
Deferred income taxes (net) ....
Commitments and contingencies
Minority interests in cellular licenses ....
Shareholders' equity:
Preferred stock, par value $.01 per share; authorized 18,907,801 shares; no shares outstanding
Common stock, par value $.01; authorized 120,000,000 shares; outstanding 54,885,955 shares
in 2001 and 55,453,858 shares in 2000 ....
Additional paid-in-capital ....
Unearned compensation ....
Accumulated other comprehensive income (loss) ....
Retained earnings ....

Total shareholders' equity ....

Total liabilities and shareholders' equity ....

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
($ IN THOUSANDS, EXCEPT PER SHARE DATA)

	2001	
Revenue:		
Cellular operations:		
Service	$ 245,817	$ 2
Equipment sales and installation	17,731	
Total revenue	263,548	2
Operating expenses:		
Engineering, technical and other direct	32,796	
Cost of equipment	33,028	
Selling, general and administrative	74,738	
Non-cash compensation (Selling, general and administrative)	3,649	
Depreciation and amortization	47,975	
Total operating expenses	192,186	1
Operating income	71,362	
Interest income	8,837	
Interest expense	(70,085)	(
Other income	7,157	
Minority interest	(631)	
Income (loss) before income taxes	16,640	
Income tax expense	5,695	
Income before cumulative effect of accounting change	10,945	
Cumulative effect on prior year of change in revenue recognition (net of income tax benefit of $92)	--	
Net income	10,945	
Other comprehensive income (net of income tax expense of $194 for 2001 and income tax benefit of $1,027 and $905 for the years 2000 and 1999 respectively).		
Unrealized gains (losses) on available for sale securities	(61)	
Reclassification adjustment	389	
Comprehensive income	$ 11,273	$
Per share data:		
Basic earnings per share before cumulative effect of accounting change	$ .20	$
Basic earnings per share for accounting change	--	
Basic earnings per share	$ .20	$
Diluted earnings per share before and after cumulative effect of accounting change	.20	
Weighted average number of common shares outstanding - basic	55,061	
Weighted average number of common shares outstanding - diluted	55,415	

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
($ IN THOUSANDS)

	2001	200
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 10,945	$ 28,
Adjustments to reconcile net income to net cash provided by Operating activities:		
Depreciation and amortization	47,975	46,
Amortization of deferred finance costs	2,431	2,
Minority interest share of income	631	1,
Deferred income taxes	(3,430)	(9,
Accrued interest satisfied by issuance of PCC stock	--	
Gain on available for sale securities	(1,780)	(6,
Gain on sale of equity investment in other cellular properties (net) .	(4,109)	
Non-cash compensation	3,649	3,
Decrease (increase) in accounts receivable	13,175	(12,
Increase in other current assets	(6,403)	(4,
(Decrease) increase in accounts payable and accrued expenses	955	(11,
(Decrease) increase in accrued interest payable	(953)	
(Decrease) increase in other current liabilities	(345)	(
Increase (decrease) in deferred revenue	2,281	2,
Increase in income taxes payable	2,103	5,
Increase in accrued income taxes long-term	--	17,
Other	620	
Total adjustments	56,800	34,
Net cash provided by operating activities	67,745	63,
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(18,620)	(27,
Proceeds from sale of equity investment in other cellular properties	15,419	
Purchase of available-for-sale securities	(14,315)	(59,
Proceeds from sale of available-for-sale securities	36,119	42,
Purchase of additional minority interests in majority owned Company systems	(8,223)	(
Purchase of minority equity interests in other cellular properties	--	
Other	1	
Net cash provided by (used in) by investing activities	10,381	(44,
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of debt issuance costs	--	
Repurchase of Company's common stock	(13,583)	(32,
Exercise of employee stock options and warrants	1,196	
Net cash used in financing activities	(12,387)	(32,
Net increase (decrease) in cash and cash equivalents	65,739	(13,
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	180,708	194,
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 246,447	$ 180,

========= ======

See accompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999
($ AND SHARE AMOUNTS IN THOUSANDS)

	Common Stock Class A Shares	Value	Additional paid-in capital
BALANCE, DECEMBER 31, 1998	21,715	218	(5,869)
Stock splits and stock dividend	14,663	147	(147)
Issue of warrants from $105M debt redeemed in 1998	2,347	23	(23)
Change in unrealized gain on marketable equity securities, net of tax effect	--	--	--
Purchase and retirement of treasury stock	(3,544)	(35)	(57,020)
Exercise of stock options and warrants	462	5	226
Other	56	--	686
Conversion of Class A and Class B preferred stock to common stock	3,725	37	67,938
Deferred compensation expense associated with the conversion of preferred stock to common stock	--	--	--
Conversion of PIK notes, net	17,245	172	211,319
Tax benefit from the exercise of stock options	--	--	2,786
Net income	--	--	--
BALANCE, DECEMBER 31, 1999	56,669	567	219,896
Change in unrealized gain on marketable equity securities, net of tax effect	--	--	--
Purchase and retirement of treasury stock	(1,495)	(15)	(32,569)
Exercise of stock options	279	3	473
Deferred compensation expense associated with the conversion of preferred stock to common stock	--	--	--
Tax benefit from the exercise of stock options	--	--	1,253
Net income	--	--	--
BALANCE, DECEMBER 31, 2000	55,453	555	189,053
Change in unrealized loss on marketable equity securities, net of tax effect	--	--	--
Purchase and retirement of treasury stock	(754)	(7)	(13,576)
Exercise of stock options	186	2	1,195
Deferred compensation expense associated with the conversion of preferred stock to common stock	--	--	--
Tax benefit from the exercise of stock options	--	--	494

Net income	--	--	--
BALANCE, DECEMBER 31, 2001	54,885	$ 550	$ 177,166

	Unearned Compensation	Total share-holders' Equity
BALANCE, DECEMBER 31, 1998	--	4,379
Stock splits and stock dividend	--	--
Issue of warrants from $105M debt redeemed in 1998	--	--
Change in unrealized gain on marketable equity securities, net of tax effect	--	(1,545)
Purchase and retirement of treasury stock	--	(57,055)
Exercise of stock options and warrants	--	231
Other	--	686
Conversion of Class A and Class B preferred stock to common stock	$ (67,951)	24
Deferred compensation expense associated with the conversion of preferred stock to common stock	1,973	1,973
Conversion of PIK notes, net	--	211,491
Tax benefit from the exercise of stock options	--	2,786
Net income	--	10,220
BALANCE, DECEMBER 31, 1999	(65,978)	173,190
Change in unrealized gain on marketable equity securities, net of tax effect	--	(1,748)
Purchase and retirement of treasury stock	--	(32,584)
Exercise of stock options	--	476
Deferred compensation expense associated with the conversion of preferred stock to common stock	3,649	3,649
Tax benefit from the exercise of stock options	--	1,253
Net income	--	28,376
BALANCE, DECEMBER 31, 2000	(62,329)	172,612
Change in unrealized loss on marketable equity securities, net of tax effect	--	328
Purchase and retirement of treasury stock		(13,583)
Exercise of stock options	--	1,197
Deferred compensation expense associated with the conversion of preferred stock to common stock	3,649	3,649
Tax benefit from the exercise of stock options	--	494
Net income	--	10,945
BALANCE, DECEMBER 31, 2001	$ (58,680)	$ 175,642

Seefaccompanying notes to consolidated financial statements.

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ACQUISITION

Price Communications Corporation ("Price" or the "Company") owns 100% of Price Communications Cellular, Inc., which owns 100% of Price Communications Cellular Holdings, Inc. ("Holdings"), which owns 100% of Price Communications Wireless, Inc. ("PCW"). The Company has total ownership in corporations and partnerships which operate the non-wireline cellular telephone systems in eight Metropolitan Statistical Areas ("MSA") in four states: Florida (one), Georgia (five), Alabama (two), and South Carolina (one). The Company owns and operates eight non-wireline cellular telephone systems in Rural Service Areas ("RSA") in Georgia (seven) and Alabama (one).

2. AGREEMENT TO CONTRIBUTE BUSINESS OF PRICE COMMUNICATIONS WIRELESS

On December 18, 2001, the Company entered into an agreement (the "Transaction Agreement") with affiliates of Cellco Partnership (doing business as Verizon Wireless and referred to herein as "Verizon Wireless") pursuant to which the Company agreed to contribute substantially all of the assets of PCW to a new partnership controlled by Verizon Wireless ("New Limited Partnership"), subject to shareholder approval, in exchange for a Preferred Exchangeable Limited Partnership Interest (the "Preferred Exchangeable Interest") (the "contribution transaction"). New Limited Partnership will assume certain liabilities of PCW relating to the contributed business (including such liabilities as arise under PCW's 11 3/4% Senior Subordinated Notes due 2007 and 9 1/8% Senior Secured Notes due 2006). The Company expects to account for the Preferred Exchangeable Interest by applying the equity method of accounting.

If an initial public offering of Verizon Wireless common stock (meeting certain size requirements) occurs within four years of the contribution transaction, the Company may elect to exchange such Preferred Exchangeable Interest for Verizon Wireless common stock during the sixty-day period immediately following the later of (i) the date of the initial public offering and (ii) the one-year anniversary of the contribution transaction. Any such exchange will require the approval of the shareholders of PCC.

If Verizon Wireless does not complete such an initial public offering prior to the four-year anniversary of the contribution transaction or if Verizon Wireless does complete such an offering but an exchange into Verizon Wireless common stock does not occur for other reasons, the Preferred Exchangeable Interest will be exchanged for Verizon Communications common stock. The timing of such exchange will depend upon the circumstances but in no event will it occur after the tenth anniversary of the contribution transaction.

In addition, in certain circumstances (including a change in control of the Company or a transfer of the Preferred Exchangeable Interest to a secured creditor of the Company), Verizon Communications will have the right to cause an exchange of the Preferred Exchangeable Interest into Verizon Communications common stock, whether or not an initial public offering of Verizon Wireless common stock has occurred.

The amount of PCW's initial capital account in the partnership will be approximately $1.15 billion, subject to certain adjustments as defined in the Transaction Agreement. Pursuant to the partnership agreement of New Limited Partnership, any profits of New Limited Partnership will be allocated to PCW's capital account annually up to an amount equal to approximately 4.00% per annum (subject to downward adjustments relating to the interest rate payable on certain indebtedness of New Limited Partnership) and it is currently expected that the maximum preferred return after such adjustment will be approximately 3.6% per annum accreted quarterly on the weighted daily average balance of PCW's

capital account (for a maximum period of four years). Any losses incurred by New Limited Partnership will be allocated to Verizon Wireless up to an amount equal to its capital accounts before being allocated to PCW. With respect to each quarter ending after the second anniversary of the contribution transaction, New Limited Partnership will distribute to PCW an amount in cash equal to 50% of PCW's share of any profits of New Limited Partnership. These distributions will reduce PCW's capital account in New Limited Partnership. The transaction is structured to be a tax-free exchange of assets under the Internal Revenue Code.

The Company expects to account for the Preferred Exchangeable Interest using the equity method of accounting. The initial investment on the PCC balance sheet will equal the credit in the capital account on the partnership's financial statement. Thereafter, the Company will increase its investment by the amount of income it will be entitled to based on the availability of profits and the agreed upon preferred rate of return. Future cash distributions will reduce the investment balance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Price and its subsidiaries. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements. Certain prior year amounts have been reclassified to conform to current year presentation.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments, including treasury bills, purchased with original maturities of three months or less to be cash equivalents.

FINANCIAL INSTRUMENTS

At December 31, 2001 and 2000, substantially all of the Company's investment securities were marketable equity securities classified as "Available-for-Sale Securities". Unrealized holding gains and losses for Available-for-Sale Securities are excluded from earnings and reported, net of taxes, as accumulated other comprehensive income (loss).

The Company sells put and call options, some of which are for the Company's own common stock. These puts entitle the holders to sell publicly traded securities to the Company during certain periods at certain prices. The Company is required to maintain collateral to support options issued, therefore such unsettled contracts have been classified as liabilities in the accompanying

consolidated balance sheets with changes in fair values recorded as part of Other income. As at December 31, 2001, there were no unsettled contracts outstanding.

INVENTORY

Inventory, consisting primarily of cellular handsets and telephone accessories, is stated at the lower of cost or market. Cost is determined using the first-in, first-out (FIFO) method.

PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. The cost of additions and improvements are capitalized while maintenance and repairs are charged to expense when incurred. Depreciation is provided principally by the straight-line method over the estimated useful lives, ranging from 5 to 20 years for buildings and improvements and 5 to 10 years for equipment, communications systems and furnishings.

ACQUISITIONS AND LICENSES

The cost of acquired companies is allocated first to the identifiable assets, including licenses, based on the fair market value of such assets at the date of acquisition. Accordingly, the Company has not recorded any goodwill. Licenses are amortized on a straight-line basis over a 40-year period.

Subsequent to the acquisition of licenses and other long-lived assets, the Company continually evaluates whether subsequent events and circumstances have occurred that indicate the remaining estimated useful life of such licenses might warrant revision or that the remaining balance of the license rights may not be recoverable. The Company utilizes projected undiscounted cash flows over the remaining life of the licenses and sales of comparable businesses to evaluate the recorded value of licenses. The assessment of the recoverability of the remaining balance of the license rights may be impacted if projected cash flows are not achieved.

OTHER INTANGIBLE ASSETS

Other intangible assets consist principally of deferred financing costs. These costs are being amortized on a straight-line basis over the lives of the related debt agreements, which range from 8 to 10 years.

REVENUE RECOGNITION

Service revenue from cellular operations for prepaid and post paid customers includes local subscriber revenue and outcollect roaming revenue.

In accordance with the Securities and Exchange Commission Staff Accounting Bulletin No. 101 ("SAB 101"), which was adopted in the fourth quarter of 2000 effective January 1, 2000, prepaid airtime revenue is recognized when the airtime is utilized and activation revenue is recognized over the estimated life of the subscriber's contract or the expected term of the customers relationship, whichever is longer. In addition, the financial statements for the years ended December 31, 2001 and 2000, include a deferral of unearned revenue, and for the

year ended December 31, 2000, a cumulative catch up adjustment representing the effect of the application of SAB 101 on prior years. Local subscriber revenue is earned by providing access to the cellular network ("access revenue") or, as applicable, for usage of the cellular network ("airtime revenue"). Access revenue is billed one month in advance and is recognized when earned. Postpaid airtime revenue is recognized when the service is rendered.

Outcollect roaming revenue represents revenue earned for usage of its cellular network by subscribers of other cellular carriers. Outcollect roaming revenue is recognized when the services are rendered.

Equipment sales and installation revenues are recognized upon delivery to the customer or installation of the equipment.

COST TO ADD A SUBSCRIBER

The cost to add a subscriber which consists principally of the net loss on the sale of equipment, as well as commissions, is recognized at the time the subscriber starts to receive cellular service. Both commissions and the loss on the sale of handsets, which represent a separate earnings process, are expensed in the same month that the subscriber commences using the Company's system.

OPERATING EXPENSES - ENGINEERING, TECHNICAL AND OTHER DIRECT

Engineering, technical and other direct operating expenses represent certain costs of providing cellular telephone services to customers. These costs include incollect roaming expense. Incollect roaming expense is the result of the Company's subscribers using cellular networks of other cellular carriers. Incollect roaming revenue, billed to the Company's subscribers, is netted against the incollect roaming expense to determine net incollect roaming expense or net revenue.

PER SHARE DATA

Basic earnings per share exclude the dilutive effects of options, warrants and convertible securities. Diluted earnings per share gives effect to all dilutive securities that were outstanding during the period. The only difference between basic and diluted earnings per share for the Company is the effect of dilutive stock options and warrants.

The following table reconciles the number of shares used in the earnings per share calculations:

DILUTED AVERAGE COMMON SHARES COMPUTATION	2001	2000	1999
Basic average common shares outstanding	55,061	56,013	46,334
Dilutive potential common shares - options and warrants	354	518	1,161
Diluted Average Common Shares	55,415	56,531	47,495
Options excluded from the computation of earnings per share - diluted since option exercise price was greater than the market price of the common shares for the period	442	69	N/A

STOCK OPTIONS

In 1995, the FASB issued SFAS No. 123, "Accounting for Stock - Based Compensation" ("SFAS No. 123"). As permitted by SFAS No. 123, the Company continues to apply the recognition and measurement provisions of Accounting

Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees" (APB 25). However, the Company has adopted the disclosure requirement of SFAS No. 123 as shown later in the document.

INCOME TAXES

The Company records income taxes to recognize full inter-period tax allocations. Under the liability method, deferred taxes are recognized for the future tax consequences of temporary differences by applying enacted statutory tax rates applicable to future years differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

RECENT ACCOUNTING PRONOUNCEMENTS

On January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). This statement established accounting and reporting standards that require all derivative instruments (including certain derivative instruments embedded in other contracts) to be recorded on the balance sheet as an asset or a liability and measured at its fair value. This statement requires that changes in the derivatives fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company does not have any derivative instruments. Therefore the adoption of SFAS No. 133 did not have any impact on the Company.

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 142 "Goodwill and Other Intangible Assets" ("SFAS No. 142"). SFAS No. 142 requires the use of a nonamortization approach to account for purchased goodwill and certain intangibles. Under a nonamortization approach, goodwill and certain intangibles will not be amortized into results of operations, but instead will be reviewed for impairment and written down as a charge to results of operations only in the periods in which the recorded value of goodwill and certain intangibles is more than its fair value. The provisions of SFAS No. 142 will be adopted by PCW on January 1, 2002. The Company does not have any goodwill recorded in its consolidated financial statements and therefore does not believe the adoption of SFAS No. 142 will have any effect on its financial position or results of operations. However, PCW does have a significant intangible asset in the form of cellular licenses. PCW believes its cellular licenses qualify as indefinite life intangibles as defined by the Standard, and therefore will not be subject to amortization upon adoption of SFAS No. 142. Amortization expense for these licenses for the three years ended December 31, 2001, 2000 and 1999 amounted to $22.8 million, $22.8 million and $22.7 million, respectively.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment of Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144 supercedes SFAS No. 121, but retains SFAS No. 121's fundamental provisions for (a) recognition and measurement of impairment of long-lived assets to be held and used and (b) measurement of long-lived assets to be disposed of by sale. SFAS No. 144 also supercedes Accounting Principle Board Opinion No. 30 "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions ("APB No. 30") for segments of a business to be disposed

of but retains APB No. 30's requirements to report discontinued operations separately from continuing operations and extends that reporting to a component of an entity that either has been disposed of or is classified as held for sale. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early application encouraged. Based on preliminary estimates, the Company does not believe the adoption of SFAS No. 144 will have a material impact on its consolidated financial statements.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value estimates, methods and assumptions used to estimate the fair value of financial instruments are set forth below:

For cash and cash equivalents, accounts receivable, receivables from other cellular carriers, accounts payable and accrued expenses, and virtually all current liabilities, the carrying value approximates fair value due to the short-term nature of those accounts. Investment securities are recorded at fair value.

Rates currently available for long-term debt with similar terms and remaining maturities are used to discount the future cash flows to estimate the fair value of long-term debt.

As mentioned earlier, the Company has sold put and call options (including some on the Company's common stock) which grant the holders the right to sell publicly traded securities to the Company during certain periods at certain prices. At December 31, 2001, there were no open put contracts outstanding.

5. LONG-TERM DEBT

Long-term debt consists of the following:

	DECEMBER 31, ($ IN THOUSANDS)	
	2001	2000
11 3/4% Senior Subordinated Notes	$175,000(a)	$175,000(a)
9 1/8% Senior Secured Notes	525,000(b)	525,000(b)
Long-term debt	$700,000	$700,000

(a) In July 1997, PCW issued $175.0 million of 11 3/4% Senior Subordinated Notes ("11 3/4% Notes") due July 15, 2007 with interest payable semi-annually commencing January 15, 1998. The 11 3/4% Notes contain covenants that restrict the payment of dividends, incurrence of debt and sale of assets. The fair market value of these notes approximated $185.5 million as of December 31, 2001.

(b) In June 1998, PCW issued $525.0 million of 9 1/8% Senior Secured Notes ("9 1/8% Notes") due December 15, 2006 with interest payable semi-annually

commencing December 15, 1998. The 9 1/8% Notes contain covenants that restrict the payment of dividends, incurrence of debt and the sale of assets. The fair market value of these notes approximated $546.0 million as of December 31, 2001.

The aggregate maturities of long-term debt are as follows:

DECEMBER 31,	
2002 to 2006	$525,000
Thereafter	175,000
	$700,000

6. INCOME TAXES

Provision for income taxes consists of the following:

	YEAR ENDED DECEMBER 31, ($ IN THOUSANDS)		
	2001	2000	1999
Current:			
Federal	$ 8,207	$ 4,238	$ 8,868
State and local	724	645	782
	8,931	4,883	9,650
Deferred:			
Federal	(2,939)	8,803	(3,352)
State and local	(297)	1,286	(296)
	(3,236)	10,089	(3,648)
Tax provision	$ 5,695	$ 14,972	$ 6,002

For the years ended December 31, 2001, 2000 and 1999, the provision for income taxes differs from the amount computed by applying the federal income tax rate (34%) because of the following items:

	YEAR ENDED DECEMBER 31, ($ IN THOUSANDS)		
	2001	2000	1999
Tax at statutory federal income tax rate	$ 5,658	$ 14,792	$5,678
State taxes, net of federal income tax benefit	499	1305	324
Non-taxable gain on sale of securities	(425)	(1,034)	--
Other	(37)	(91)	--
	$ 5,695	$ 14,972	$6,002

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Deferred tax assets and liabilities and the principal temporary differences from which they arise are as follows:

	DECEMBER 31, ($ IN THOUSANDS)	
	2001	2000
Deferred tax assets:		
Allowance for doubtful accounts	$ 443	$ 517
Non-deductible accruals	122	121
Reserve on long-term investments	185	185
Unrealized loss on marketable equity securities	74	268
Deferred compensation	3,430	2,080
Total deferred tax assets	4,254	3,171
Deferred tax liabilities:		
Accumulated depreciation	19,994	17,942
Licenses	258,903	267,213
Deferred expenses	3,431	--
Other	673	--
Total deferred tax liabilities	283,001	285,155
Net deferred tax liabilities	$278,747	$281,984

7. OTHER INCOME

Other income consists of the following:

	YEAR ENDED DECEMBER 31, ($ IN THOUSANDS)		
	2001	2000	1999
Gain on investments, net	$1,824	$6,724	$12,651
Other, net	5,333	987	(400)
	$7,157	$7,711	$12,251

Other net for the year 2001 includes $4,109 for the net gain on sale of equity investment in cellular properties.

8. MINORITY INTERESTS

The Company notified the minority interest holders in the subsidiary corporations, general partnerships and limited partnerships that held certain of the Company's cellular licenses that effective June 28 and June 30, 2001 these subsidiaries were either dissolved and/or merged into Palmer Wireless Holdings, Inc. (a wholly owned subsidiary of the Company). Pursuant to the mergers, the minority interest holders have the right to receive merger consideration totaling $16.2 million subject to appraisal rights or other remedies pursuant to applicable state law. Amounts payable to such minority interest holders may be

finally determined by negotiations between the parties or if such negotiations fail, by applicable state court proceedings. In addition, the Company expended approximately $2.8 million for other purchases of minority interests during the current year period. The Company owns 100% of its telephone operating systems. The Company accounts for the purchase of minority interests by first eliminating that portion of the minority interest that represents the Company's proportionate liability to minority interest holders with the balance being added to the value of the appropriate license. The Company believes that if the predecessor company (Palmer Wireless) had owned 100% of the markets that it sold to the Company, the acquisition price and therefore the value of the acquired licenses would have increased.

9. SHAREHOLDERS' EQUITY

In October 1994, the Company declared a dividend distribution of one Common Share Purchase Right (a "Right") for each outstanding share of the Company's common stock. Until exercisable, the Rights will not be transferable apart from the common stock. When exercisable, each Right will entitle its holder to buy one share of the Company's common stock at an exercise price of $3.51 until October 17, 2004. The Rights will become exercisable only if a person or group acquires 20 percent of more of the Company's common stock. In the event the Company is acquired in a merger, each Right entitles the holder to purchase common stock of the surviving company having a market value of twice the exercise price of the Rights. The Rights may be redeemed by the Company at a nominal price prior to the acquisition of 20 percent of the outstanding shares of the Company's common stock.

The following represents the various stock splits authorized by the Company's Board of Directors during the period 1999-2001 including the approximate number of shares issued. In each case, the stated par value per share of $.01 was not changed.

DATE AUTHORIZED	HOLDERS OF RECORD DATE	TYPE	NUMBER OF SHARES
January 4, 1999	January 12, 1999	5 for 4	5,421,000
April 14, 1999	April 21, 1999	5 for 4	6,688,000
August 5, 1999	August 12, 1999	5% stock dividend	2,560,000

All current and prior year earnings (loss) per common share as well as all other share data have been adjusted to reflect all stock splits and the stock dividend.

The Company is authorized by its Board of Directors to make purchases of its common stock from time to time in the market or in privately negotiated transactions when it is legally permissible to do so or believed to be in the best interests of its shareholders. During the three years ended December 31, 2001 the Company purchased and retired the following: 1999 3.5 million shares at an average cost of $16.10 per share; 2000 1.5 million at an average cost of $21.80 per share; 2001 754,000 at an average cost of $18.01.

In August 1997, in connection with the issuance by a subsidiary of the Company of the 13 1/2% Senior Secured Discount Notes, the Company issued Warrants to purchase approximately 2.6 million shares of its common stock at an

exercise price of less than $0.01 per share. The Warrants expire on August 1, 2007. As of December 31, 2001, approximately 37,200 warrants remain unexercised, which are convertible into approximately 238,000 shares of the Company's common stock.

In June 1999, the Company allowed the conversion of the outstanding indebtedness of Holdings into the Company's common stock. According to the indenture, in the event the daily high price of the Company's common stock equaled or exceeded 115% of the Exchange Price for 10 out of 15 consecutive trading days, the Company could convert Holdings' $200 million 11 1/4% Senior Exchangeable Payable-in-Kind Notes plus accrued interest. The terms of the indenture were met and the Company issued 17.2 million shares of its common stock in exchange for Holdings' Notes which included $20.7 million of accrued interest to the date of conversion.

10. REDEEMABLE PREFERRED STOCK

During 1997, the Board of Directors authorized the issuance of approximately 728,000 shares of the Company's Series A Preferred Stock, and 364,000 shares of the Company's Series B Preferred Stock to the Company's Chief Executive Officer, Mr. Price. In June 1998, Mr. Price notified the Company that he was considering the exercise of his right to have the Series B Preferred Stock redeemed by the Company. The Series B Preferred Stock had a carrying value of $10,000. Mr. Price, pursuant to the terms of the Series B Preferred Stock, would have received a cash payment of $5.0 million in respect of the redemption. In order to avoid a significant cash payment to Mr. Price at a time when the Company had substantial indebtedness, Mr. Price and the Board agreed that in place of such cash payment, the Company would issue 1.3 million shares of its $.01 par value common stock to Mr. Price in exchange for his shares of Series B Preferred Stock. The value of the Company's common stock received by Mr. Price on the date of conversion approximated $5.0 million. The common stock vests over a ten-year period or immediately upon a change of control or other events.

In June and August 1999, Mr. Price notified the Company that he was considering the exercise of his right to have the Series A Preferred Stock redeemed by the Company. The Series A Preferred Stock had a carrying value of $25,000. Mr. Price, pursuant to the terms of the Series A Preferred Stock, would have received cash payments totaling $63.0 million in respect of such redemptions. In order to avoid a significant cash payment to Mr. Price at a time when the Company had substantial indebtedness, Mr. Price and the Board agreed that in place of such cash payment, the Company would issue approximately 3.7 million shares of its $.01 par value common stock to Mr. Price in exchange for approximately 728,000 shares of Series A Preferred Stock. The value of the Company's common stock received by Mr. Price on the two respective dates of conversion approximated $63.0 million. The common stock vests over a twenty year period or immediately upon a change of control or other events.

Accordingly, included in the Consolidated Statement of Operations for the three years ended December 31, 2001 are charges of $3.6 million for 2001 and 2000 and $2.0 million for 1999. Included as an offset to shareholders' equity is the remaining unamortized unearned compensation related to the conversions of the Class B and Class A Preferred Stock.

11. STOCK OPTION PLAN

The Company has a long-term incentive plan (the "1992 Long-Term Incentive Plan"), which provides for granting incentive stock options, as defined under current law, and other stock-based incentives to key employees and officers. The maximum number of shares of the Company that are subject to awards granted under the 1992 Long-Term Incentive Plan is 7,451,117. The exercise of such options will be at a price not less than the fair market value on the date of grant, for a period up to ten years.

In accordance with SFAS 123, the fair value of option grants is estimated on the date of grant using the Black-Scholes option pricing model for proforma footnote purposes with the following assumptions used for grants; dividend yield of 0% in all years; risk free interest rate of 6.5% in 2001, 7.5% in 2000 and 6.5% and 5.7%, in 1999 respectively; and an expected life of 7 years for all years. Expected volatility was assumed to be 26.9%, 44.6%, and 49.0% in 2001, 2000 and 1999, respectively.

A summary of plan transactions is presented in the table below:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE	WEIGHTED AVERAGE FAIR VALUE
Outstanding at December 31, 1998	1,676,874	$ 1.68	
Granted	249,115	$ 10.34	$ 6.15
Exercised	(784,542)	$ 1.62	
Canceled	(500,971)	$ 2.13	
Outstanding at December 31, 1999	640,476	$ 1.68	
Granted	145,000	$ 23.02	$ 13.51
Exercised	(284,749)	$ 2.17	
Canceled	(32,153)	$ 13.28	
Outstanding at December 31, 2000	468,575	$ 11.68	
Granted	472,000	$ 30.01	$ 4.41
Exercised	(185,601)	$ 6.45	
Canceled	(25,100)	$ 20.85	
Outstanding at December 31, 2001	729,874	$ 24.54	

The following table summarizes information about stock options outstanding at December 31, 2001:

EXERCISE PRICE	NUMBER OUTSTANDING AT 12/31/01	WEIGHTE AVERAG REMAINI LIFE
$ 1.64..	45,833	6 year
$ 3.96..	22,969	6 year
$ 8.02..	24,609	6 year
$ 9.05..	6,563	7 year
$13.90..	29,400	7 year
$15.20..	10,500	7 year

$21.00	21,000	8 year
$25.56	61,000	8 year
$20.75	31,000	8 year
$23.31	5,000	8 year
$18.50	22,000	9 year
$19.11	50,000	9 year
$31.00	200,000	9 year
$33.00	200,000	9 year
	729,874	

As permitted by SFAS 123, the Company has chosen to continue accounting for stock options at their intrinsic value. Accordingly, no compensation expense is recognized. Had the fair value method of accounting been applied, the proforma net income would be as follows:

	($ IN THOUSANDS)		
	2001	2000	1999
Net income as reported	$10,945	$28,376	$10,220
Estimated fair value of the year's net option grants, net of forfeitures and taxes	1,242	868	861
Proforma net income	$ 9,703	$27,508	$ 9,359
Porforma basic earnings per share	$ .18	$ .49	$ .20
Porforma diluted earnings per share	$ .18	$ .49	$ .20

12. RELATED PARTY TRANSACTIONS

PCW is a party to an agreement with H.O. Systems, Inc. under which H.O. Systems provides billing and management information services to PCW, and in respect of which PCW made payments to H.O. Systems during the year ended December 31, 2001 aggregating approximately $8.5 million. A director of the Company, and two adult children of the Chairman and CEO of the Company (and trusts for their children) held indirect equity positions in H.O. Systems. Such director and one of such adult children served as officers and directors of H.O. Systems. Such adult child resigned from such positions in November 2001 and in February 2002, H.O. Systems was sold to an unrelated third party. The Company continues to use the services provided by H.O. Systems.

13. COMMITMENTS AND CONTINGENCIES

The Company is involved in various claims and litigation in the ordinary course of business. In the opinion of legal counsel and management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial statements.

The Company and its subsidiaries lease a variety of assets used in their operations, including office space. Renewal options are available in the majority of leases. The following is a schedule of the Company's minimum rental commitment for operating leases of real and personal property for each of the five years subsequent to 2001 and in the aggregate.

Year ending December 31,:	($ IN THOUSANDS)
2002	$ 5,919
2003	4,802
2004	3,561
2005	2,283
2006	916
Thereafter	704
	$18,185

Rental expense, net of sublease income, for operating leases was approximately $5.7 million, $5.2 million and $4.0 million for the years ended December 31, 2001, 2000 and 1999, respectively.

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following is supplemental disclosure cash flow information for the years ended December 31, 2001, 2000 and 1999.

	($ IN THOUSANDS)		
	2001	2000	1999
Cash paid for:			
Income taxes	$ 6,390	$ 2,031	$ 280
Interest	$68,469	$68,469	$68,469

PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

15. SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED):

	($ IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTA
Year Ended December 31, 2000					
Total revenue (a)	$ 65,355	$ 69,759	$ 68,766	$ 66,628	$270,5
Operating income (a)	21,287	26,048	24,064	25,489	96,8
Net income	5,600	7,709	7,862	7,204	28,3
Net income per share:					
Basic	.10	0.14	0.14	0.13	0.
Net income per share:					
Diluted	.10	0.14	0.14	0.12	0.
Year Ended December 31, 2001					
Total revenue	$ 65,719	$ 66,246	$ 65,865	$ 65,718	$263,5
Operating income	18,793	18,479	18,701	15,389	71,3

Net income	1,466	5,412	4,330	(263)	10,9
Net income per share:					
Basic	0.03	0.10	0.08	(0.01)	0.
Net income per share:					
Diluted	0.03	0.10	0.08	(0.01)	0.

(a) Prior quarters restated due to adoption of Staff Accounting Bulletin No. 101.

PRICE COMMUNICATIONS CORPORATION

SCHEDULE I--CONDENSED FINANCIAL INFORMATION OF REGISTRANT

BALANCE SHEETS
DECEMBER 31, 2001 AND 2000
($ IN THOUSANDS)

	2001	2000
ASSETS:		
Cash and cash equivalents	$ 34,232	$ 10,641
Available for sale securities	906	23,517
Deferred income taxes	259	453
Prepaid expenses and other current assets	--	12
Total current assets	35,397	34,623
Investments in and receivables from subsidiaries*	147,520	137,844
Deferred income taxes	2,757	2,080
Other Assets	3,542	15,473
	$189,216	$190,020
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Accounts payable and accrued expenses	$ 649	$ 755
Other current liabilities	12,923	16,653
Total current liabilities	13,572	17,408
Shareholders' equity	175,644	172,612
	$189,216	$190,020

* Eliminated in consolidation

See accompanying notes to condensed financial statements

PRICE COMMUNICATIONS CORPORATION

SCHEDULE I-CONDENSED FINANCIAL INFORMATION OF REGISTRANT

STATEMENTS OF OPERATIONS

($ IN THOUSANDS)

	YEAR ENDED DECEMBER 31,		
	2001	2000	
Corporate expenses	$ (2,471)	$ (2,849)	$
Non-cash compensation	(3,649)	(3,649)	
Other income (expense)	5,171	913	
Interest income	744	1,702	
Interest expense	(60)	(17)	
Depreciation and amortization	--	(11)	
Net gain on security transactions	1,824	6,724	
Income of unconsolidated subsidiaries	9,501	25,479	
Income before income taxes	11,060	28,292	
Income tax (expense) benefit	(115)	84	
Net income	10,945	28,376	
Other comprehensive income, net of tax:			
Unrealized gains (losses) on available for sale securities	(61)	(457)	
Reclassification adjustment	389	(1,291)	
Comprehensive income	$ 11,273	$ 26,628	$
Per share data:			
Basic earnings per share	$ .20	$ .51	$
Diluted earnings per share	$ .20	$ .50	$

See accompanying notes to condensed financial statements

PRICE COMMUNICATIONS CORPORATION

SCHEDULE I-CONDENSED FINANCIAL INFORMATION OF REGISTRANT

STATEMENTS OF CASH FLOWS
($ IN THOUSANDS)

	YEAR ENDED DE	
	2001	200
Cash flows from operating activities:		
Net income	$ 10,945	$ 28,
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	--	
Income of unconsolidated subsidiaries	(9,501)	(25,
Non-cash compensation	3,649	3,
Deferred income taxes	(677)	(3,

Decrease in prepaid expenses and other assets	632	
(Decrease) increase in accounts payable and accrued expenses	(206)	(
(Decrease) increase in other liabilities	(25)	5,
Gain on available for sale of securities	(1,780)	(6,
Gain on sale of equity investment in other cellular properties (net)	(4,109)	
Total adjustments	(12,017)	(27,
Net cash (used in) provided by operating activities	(1,072)	1,
Cash flows from investing activities:		
Sale of available for sale securities	36,119	42,
Purchase of available for sale securities	(14,315)	(59,
Sale of equity investment in other cellular properties (net)	15,419	
Purchase of investment in other cellular operations	--	
Other	--	(3,
Advances (to) from subsidiaries	(175)	1,
Net cash provided by (used in) investing activities	37,048	(19,
Cash flows from financing activities:		
Cash transferred from PCH including cash used by PCC during the year	--	
Dividend received from Company's subsidiary	--	10,
Repurchase of Company's common stock	(13,583)	(32,
Proceeds from exercise of employee stock options and warrants	1,198	
Net cash (used in) provided by financing activities	(12,385)	(22,
Net increase (decrease) in cash and cash equivalents	23,591	(40,
Cash and cash equivalents at beginning of year	10,641	51,
Cash and cash equivalents at end of year	$ 34,232	$ 10,
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Income taxes, net of refunds	$ (23)	$ 1,
Interest	$ 60	$

See accompanying notes to condensed financial statements

PRICE COMMUNICATIONS CORPORATION

SCHEDULE I-CONDENSED FINANCIAL INFORMATION OF REGISTRANT

NOTES TO CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

In the parent company-only financial statements, the Company's investment in subsidiaries is stated at cost plus equity in undistributed earnings of subsidiaries since the date of acquisition. The parent company-only financial statements should be read in conjunction with the Company's consolidated

financial statements.

Certain reclassifications have been made to the 2000 and 1999 Financial Statements to conform to the 2001 presentation.

2. ACQUISITION

In May 1997, the Company, through a wholly-owned indirect subsidiary, entered into an agreement to acquire Palmer Wireless, Inc. The transaction was consummated on October 6, 1997. See Note 1 of Notes to Consolidated Financial Statements.

3. AGREEMENT TO CONTRIBUTE BUSINESS OF PRICE COMMUNICATIONS WIRELESS

On December 18, 2001, the Company entered into an agreement (the "Transaction Agreement") with affiliates of Cellco Partnership (doing business as Verizon Wireless and referred to herein as "Verizon Wireless") pursuant to which the Company agreed to contribute substantially all of the assets of PCW to a new partnership controlled by Verizon Wireless ("New Limited Partnership"), subject to shareholder approval, in exchange for a Preferred Exchangeable Limited Partnership Interest (the "Preferred Exchangeable Interest") (the "contribution transaction"). New Limited Partnership will assume certain liabilities of PCW relating to the contributed business (including such liabilities as arise under PCW's 11 3/4% Senior Subordinated Notes due 2007 and 9 1/8% Senior Secured Notes due 2006). The Company expects to account for the Preferred Exchangeable Interest by applying the equity method of accounting.

If an initial public offering of Verizon Wireless common stock (meeting certain size requirements) occurs within four years of the contribution transaction, the Company may elect to exchange such Preferred Exchangeable Interest for Verizon Wireless common stock during the sixty-day period immediately following the later of (i) the date of the initial public offering and (ii) the one-year anniversary of the contribution transaction. Any such exchange will require the approval of the shareholders of PCC.

If Verizon Wireless does not complete such an initial public offering prior to the four-year anniversary of the contribution transaction or if Verizon Wireless does complete such an offering but an exchange into Verizon Wireless common stock does not occur for other reasons, the Preferred Exchangeable Interest will be exchanged for Verizon Communications common stock. The timing of such exchange will depend upon the circumstances but in no event will it occur after the tenth anniversary of the contribution transaction.

In addition, in certain circumstances (including a change in control of the Company or a transfer of the Preferred Exchangeable Interest to a secured creditor of the Company), Verizon Communications will have the right to cause an exchange of the Preferred Exchangeable Interest into Verizon Communications common stock, whether or not an initial public offering of Verizon Wireless common stock has occurred.

The amount of PCW's initial capital account in the partnership will be approximately $1.15 billion, subject to certain adjustments as defined in the Transaction Agreement. Pursuant to the partnership agreement of New Limited Partnership, any profits of New Limited Partnership will be allocated to PCW's capital account annually up to an amount equal to approximately 4.00% per annum (subject to downward adjustments relating to the interest rate payable on certain indebtedness of New Limited Partnership) and it is currently expected that the maximum preferred return after such adjustment will be approximately 3.6% per annum accreted quarterly on the weighted daily average balance of PCW's capital account (for a maximum period of four years). Any losses incurred by New Limited Partnership will be allocated to Verizon Wireless up to an amount equal to its capital accounts before being allocated to PCW. With respect to each

quarter ending after the second anniversary of the contribution transaction, New Limited Partnership will distribute to PCW an amount in cash equal to 50% of PCW's share of any profits of New Limited Partnership. These distributions will reduce PCW's capital account in New Limited Partnership. The transaction is structured to be a tax-free exchange of assets under the Internal Revenue Code.

The Company expects to account for the Preferred Exchangeable Interest using the equity method of accounting. The initial investment on the PCC balance sheet will equal the credit in the capital account on the partnership's financial statement. Thereafter, the Company will increase its investment by the amount of income it will be entitled to based on the availability of profits and the agreed upon preferred rate of return. Future cash distributions will reduce the investment balance.

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PRICE COMMUNICATIONS CORPORATION AND SUBSIDIARIES

SCHEDULE II-VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
($ IN THOUSANDS)

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO EXPENSES	DEDUCTIONS NET OF RECOVERIES
For the year ended December 31, 2001:			
Allowance for doubtful accounts.......................	$1,396	$10,741	$(10,941)
For the year ended December 31, 2000:			
Allowance for doubtful accounts.......................	$2,003	$ 4,395	$ (5,002)
For the year ended December 31, 1999:			
Allowance for doubtful accounts.......................	$1,596	$ 6,303	$ (5,896)

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTIONS 13 AND 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934, THE COMPANY HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

PRICE COMMUNICATIONS CORPORATION

By: /s/ ROBERT PRICE

ROBERT PRICE,
CHIEF EXECUTIVE OFFICER

Dated: March 27, 2002

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE

COMPANY AND IN THE CAPACITIES AND ON THE DATES INDICATED. EACH PERSON WHOSE SIGNATURE APPEARS BELOW HEREBY AUTHORIZES AND APPOINTS ROBERT PRICE AS HIS ATTORNEY-IN-FACT TO SIGN AND FILE IN HIS BEHALF INDIVIDUALLY AND IN EACH CAPACITY STATED BELOW ANY AND ALL AMENDMENTS TO THIS ANNUAL REPORT.

SIGNATURE	TITLE	DATE
BY: /s/ ROBERT PRICE Robert Price	Director, Chief Executive Officer and Treasurer (Principal Executive Officer)	March 27, 2002
BY: /s/ STUART B. ROSENSTEIN Stuart B. Rosenstein	Director	March 27, 2002
BY: /s/ ROBERT F. ELLSWORTH Robert F. Ellsworth	Director	March 27, 2002
BY: /s/ KIM I. PRESSMAN Kim I. Pressman	Director, Executive Vice President and Chief Financial Officer	March 27, 2002
BY: /s/ JOHN DEARDOURFF John Deardourff	Director	March 27, 2002

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
2.1	Agreement and Plan of Merger with Palmer Wireless, Inc., incorporated by reference to Registration Statement on Form S-4 of Price Communications Wireless, Inc. ("Wireless") (File No. 333-36253)
3.1	Restated Certificate of Incorporation of the Registrant as filed with the Secretary of State of the State of New York on December 29, 1992, incorporated by reference to Exhibit 3(a) to Registrant's Form 10-K for the year ended December 31, 1992
3.2	Certificate of Amendment of the Certificate of Incorporation of the Registrant as filed with the Secretary of State of New York on March 17, 1995, incorporated by reference to Exhibit 3(a)(2) to Registrant's Form 10-K for the year ended December 31, 1996
3.3	Certificate of Amendment of the Certificate of Incorporation of the Registrant as filed with the Secretary of State of New York on January 2, 1996, incorporated by reference to Exhibit 3(a)(2) to Registrant's Form 10-K for the year ended December 31, 1996
3.4	Certificate of Amendment of the Certificate of Incorporation of the Registrant as filed with the Secretary of State of New York on October 29, 1997

3.5 Certificate of Amendment of the Certificate of Incorporation of the Registrant as filed with the Secretary of State of New York on January 12, 1998

3.6 Restated By-laws of the Registrant, incorporated by reference to Exhibit 3(a)(2) to Registrant's Form 10-K for the year ended December 31, 1996

3.7 Certificate of Amendment of the Certificate of Incorporation of the Registrant as filed with the Secretary of the State of New York on July 26, 1999

4.1 Indenture to 11 3/4% Senior Subordinated Notes due 2007 between Wireless and Bank of Montreal Trust Company, as Trustee (including form of Note), incorporated by reference to Registration Statement on Form S-4 of Wireless (File No. 333-36254)

4.2 Indenture to 9 1/8% Senior Secured Notes due 2006 among Wireless, each of the guarantors party thereto and Bank of Montreal Trust Company, as trustee (including form of Note, form of Guarantee and form of Security Agreement) incorporated by reference to Registration Statement on Form S-4 of Wireless (333-64773)

10.1 The Registrant's 1992 Long Term Incentive Plan, incorporated by reference to Exhibit 10(a) to Registrant's Form 10-K for the year ended December 31, 1992

10.2 Indenture to 9 1/8% Senior Secured Notes due 2006 among Wireless, each of the guarantors party thereto and Bank of 10.2 Iontreal Trust Company, as trustee (including form on Note and Guarantee) incorporated by reference to registration Statement on Form S-4 of Wireless (333-64773)

10.3 Indenture to 11 3/4% Senior Subordinated Notes due 2007 between Wireless and Bank of Montreal Trust Company, as Trustee (including form of Note), incorporated by reference to Registration Statement on Form S-4 of Wireless (File No. 333-36254)

10.4 Rights Agreement dated as of October 6, 1994 between the Registrant and Harris Trust Company of New York, incorporated by reference to Exhibit 4 to Registrant's Form 8-K filed to report an event on October 6, 1994

10.5 Amendment dated January 12, 1995 to Rights Agreement dated as of October 6, 1994 between the Registrant and Harris Trust Bank of New York, incorporated by referenced to Exhibit 4 to Registrant's Form 8-K filed to report an event on January 12, 1995

EXHIBIT INDEX

EXHIBIT
NO. DESCRIPTION

10.6 Amendment dated April 7, 1995 to Rights Agreement dated as of October 6, 1994 between the Registrant and Harris Trust Bank of New York

10.7 Amendment dated June 19, 1997 to Rights Agreement dated as of

	October 6, 1994 between the Registrant and Harris Trust Bank of New York
10.8	Amendment dated June 11, 1998 to Rights Agreement dated as of October 6, 1994 between the Registrant and Harris Trust Bank of New York, incorporated by reference to Registrant's Form 8-K filed to report on event on August 11, 1998
10.9	Transaction Agreement dated as of November 14, 2000 among Registrant, Price Communications Cellular Inc., Holdings, Wireless, Verizon Wireless, Inc. ("Verizon"), Cellco Partnership ("Cellco") and VWI Acquisition Corporation ("VWI")
10.10	Transaction Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Cellco Partnership and Verizon Wireless of the East LP, incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.11	Agreement of Limited Partnership of Verizon Wireless of the East LP among Verizon Wireless of Georgia LLC, Cellco Sub and Price Communications Wireless, Inc., incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.12	Exchange Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Verizon Communications Inc., Verizon Wireless, Inc., Cellco Partnership and Verizon Wireless of the East LP, incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.13	Lock-up Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless and Verizon Wireless, Inc., incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.14	Lock-up Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., and Verizon Communications Inc., incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.15	Pledge Agreement dated as of December 18, 2001 among Price Communications Corporation, Price Communications Cellular Inc., Price Communications Cellular Holdings, Inc., Price Communications Wireless, Inc., Cellco Partnership, Verizon Communications, Inc., and Verizon Wireless, Inc., incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
10.16	Amended and Restated Voting Agreement dated as of December 18, 2001 among Robert Price, Kim Pressman, Cellco Partnership, Verizon Wireless of the East LP and Verizon Wireless, Inc., incorporated by reference to Registrant's Form 8-K filed on January 4, 2002
21.1	Subsidiaries of Registrant
23.1	Consent of Public Accountants
99.0	Arthur Andersen's representation

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