

UNITED STATES CELLULAR CORP
Form 10-Q/A
March 10, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

(Amendment No. 2)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

ý QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2003

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from to

Commission File Number 1-9712

UNITED STATES CELLULAR CORPORATION

Edgar Filing: UNITED STATES CELLULAR CORP - Form 10-Q/A

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

62-1147325

(I.R.S. Employer Identification No.)

8410 West Bryn Mawr, Suite 700, Chicago, Illinois 60631

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(773) 399-8900**

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 such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at June 30, 2003
Common Shares, \$1 par value	53,132,721 Shares
Series A Common Shares, \$1 par value	33,005,877 Shares

EXPLANATORY NOTE

United States Cellular Corporation (U.S. Cellular) is filing this Amendment No. 2 to its Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, which was originally filed with the Securities and Exchange Commission (the SEC) on August 8, 2003, and which was amended by Amendment No. 1 on February 17, 2004 (the "Quarterly Report"), to amend Part 1, Item 1 "Financial Statements" and Item 2 "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Part II, Item 6 "Exhibits and Reports on Form 8-K" of the Quarterly Report. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, updated certifications by the U.S. Cellular principal executive officer and principal financial officer are being filed as exhibits to this Form 10Q/A.

This amendment does not amend any other Items except those indicated above and does not update any of the disclosures contained in the Quarterly Report as previously amended except as expressly provided herein. The filing of this Form 10-Q/A shall not be deemed an admission that the original or amended filings, when made, included any untrue statement of a material fact or omitted to state a material fact necessary to make a statement not misleading.

UNITED STATES CELLULAR CORPORATION

2ND QUARTER REPORT ON FORM 10-Q/A

INDEX

	Page No.
<u>Part I. Financial Information</u>	
<u>Item 1.</u>	
<u>Financial Statements (unaudited)</u>	
<u>Consolidated Statements of Operations -</u> <u>Three and Six Months Ended June 30, 2003 and 2002 (as restated)</u>	4
<u>Consolidated Statements of Cash Flows -</u> <u>Six Months Ended June 30, 2003 and 2002 (as restated)</u>	5
<u>Consolidated Balance Sheets -</u> <u>June 30, 2003 (as restated) and December 31, 2002</u>	6-7
<u>Notes to Consolidated Financial Statements</u>	8-20
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Results of Operations and Financial</u> <u>Condition</u>	21-22
<u>Six Months Ended June 30, 2003 and 2002</u>	22-30
<u>Three Months Ended June 30, 2003 and 2002</u>	30-32
<u>Recent Accounting Pronouncements</u>	32
<u>Financial Resources and Liquidity</u>	33-37
<u>Application of Critical Accounting Policies and Estimates</u>	37-41
<u>Outlook</u>	41
<u>Certain Relationships and Related Transactions</u>	41
<u>Safe Harbor Cautionary Statement</u>	42
<u>Part II. Other Information</u>	
<u>Item 6.</u>	
<u>Exhibits and Reports on Form 8-K</u>	43
<u>Signatures</u>	44

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

UNITED STATES CELLULAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Unaudited

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003 (As Restated)	2002 (As Restated)	2003 (As Restated)	2002 (As Restated)
(Dollars in thousands, except per share amounts)				
OPERATING REVENUES				
Service	\$ 610,109	\$ 501,153	\$ 1,174,710	\$ 962,266
Equipment sales	29,701	23,186	61,014	40,493
Total Operating Revenues	639,810	524,339	1,235,724	1,002,759
OPERATING EXPENSES				
System operations (excluding Depreciation shown separately below)	147,032	118,138	284,997	226,059
Marketing and selling	98,548	78,899	207,469	158,125
Cost of equipment sold	57,362	36,588	122,127	66,955
General and administrative	175,638	113,033	333,087	221,511
Depreciation	87,463	68,957	182,363	134,934
Amortization and accretion	17,231	7,452	31,908	14,227
Loss on assets held for sale	3,500		27,000	
Total Operating Expenses	586,774	423,067	1,188,951	821,811
OPERATING INCOME	53,036	101,272	46,773	180,948
INVESTMENT AND OTHER INCOME (EXPENSE)				
Investment income	13,484	7,287	25,862	17,748
Interest income	376	1,375	803	2,413
Other income (expense), net	1,145	1,268	979	1,626
Interest expense	(16,444)	(8,657)	(31,898)	(17,687)
Loss on investments		(244,699)	(3,500)	(244,699)
Total Investment and Other Income (Expense)	(1,439)	(243,426)	(7,754)	(240,599)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	51,597	(142,154)	39,019	(59,651)
Income tax expense (benefit)	21,656	(54,993)	20,507	(19,316)
INCOME (LOSS) BEFORE MINORITY INTEREST	29,941	(87,161)	18,512	(40,335)
Minority share of income	(1,630)	(1,221)	(4,859)	(3,654)
INCOME (LOSS) BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	28,311	(88,382)	13,653	(43,989)
Cumulative effect of accounting changes, net of tax			(14,346)	4,097
NET INCOME (LOSS)	\$ 28,311	\$ (88,382)	\$ (693)	\$ (39,892)
BASIC WEIGHTED AVERAGE SHARES OUTSTANDING (000s)	86,134	86,083	86,127	86,068

BASIC EARNINGS (LOSS) PER SHARE
(Note 6)

Income (Loss) Before Cumulative Effect of Accounting Changes	\$	0.33
---	----	------