INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Western Wireless Corporation Consolidated Financial Statements

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Western Wireless Corporation:

We have audited the accompanying consolidated balance sheets of Western Wireless Corporation and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for each of the three years in the period ended December 31, 1998. These financial statements and schedules referred to below are the responsibility of Western Wireless management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 Western Wireless Corporation and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

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 of consolidated financial statements are presented for purposes of complying with the Securities and Exchange Commission rules and are not a required 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, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

Seattle, Washington
February 18, 1999

WESTERN WIRELESS CORPORATION
Consolidated Balance Sheets
(Dollars in thousands)

	As of December 31, 1998	As of December 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,249	$ 15,459
Accounts receivable, net of allowance for doubtful accounts of $13,344 and $9,931, respectively	70,093	55,652
Inventory	28,976	36,425
Prepaid expenses and other current assets	14,937	31,216
Total current assets	124,255	138,752
Property and equipment, net of accumulated depreciation of $360,184 and $221,031, respectively	891,597	699,129
Licensing costs and other intangible assets, net of accumulated amortization of $95,008 and $73,049, respectively	830,829	807,409
Investments in and advances to unconsolidated affiliates	98,601	64,156
Other assets	12,912	10,527
	$ 1,958,194	$ 1,719,973
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 21,273	$ 11,519
Accrued liabilities	116,284	104,595
Construction accounts payable	64,799	14,431
Total current liabilities	202,356	130,545
Long-term debt	1,585,000	1,395,000
Minority interest in consolidated subsidiaries	77,578	
Commitments (Note 8)		
Shareholders' equity:		
Preferred stock, no par value, 50,000,000 shares authorized; no shares issued and outstanding		
Common stock, no par value, and paid-in capital; 300,000,000 shares authorized; Class A, 38,710,893 and 22,201,336 shares issued and outstanding, respectively, and; Class B, 37,312,477 and 53,431,163 shares issued and outstanding, respectively	800,631	675,036
Deferred compensation	(1,211)	(845)
Foreign currency translation	(2,328)	
Deficit	(703,832)	(479,763)
Total shareholders' equity	93,260	194,428
	$ 1,958,194	$ 1,719,973

See accompanying notes to consolidated financial statements

WESTERN WIRELESS CORPORATION
Consolidated Statements of Operations and Comprehensive Loss
(Dollars in thousands, except per share data)

	For the year ended December 31,		
	1998	1997	1996
Revenues:			
Subscriber revenues	$ 454,016	$ 297,724	$ 182,441
Roamer revenues	70,250	39,977	34,065
Equipment sales and other revenues	60,316	42,877	26,579
Total revenues	584,582	380,578	243,085
Operating expenses:			
Cost of service	106,570	90,184	53,600
Cost of equipment sales	110,220	83,167	46,305
General and administrative	164,231	112,543	66,673
Sales and marketing	168,756	120,875	83,652
Depreciation and amortization	158,169	133,470	79,741
Total operating revenues	707,946	540,239	329,971
Operating loss	(123,364)	(159,661)	(86,886)
Other income (expense):			
Interest and financing expense, net	(126,345)	(98,964)	(44,690)
Equity in net loss of unconsolidated affiliates	(28,866)	(11,058)	(968)
Other, net	10,471	4,149	2,439
Total other income (expense)	(144,740)	(105,873)	(43,219)
Minority interest in net loss of consolidated subsidiaries	44,035		
Net loss	$ (224,069)	$ (265,534)	$ (130,105)
Basic and diluted loss per common share	$ (2.95)	$ (3.76)	$ (2.00)
Weighted average common shares used in computing basic and diluted loss per common share	75,863,000	70,692,000	65,196,000
Comprehensive loss:			
Net loss	$ (224,069)	$ (265,534)	$ (130,105)
Other comprehensive loss:			
Foreign currency translation adjustment	(2,328)		
Total comprehensive loss	$ (226,397)	$ (265,534)	$ (130,105)

See accompanying notes to consolidated financial statements

WESTERN WIRELESS CORPORATION
Consolidated Statements of Shareholders' Equity
(Dollars in thousands)

	Common Stock						
	Class A shares	Class B shares	Par value and paid-in capital	Deferred compensation	Foreign currency translation	Deficit	Total shareholders' equity
Balance, January 1, 1996		58,047,235	$ 324,729			$(84,124)	$240,605
Shares issued:							
For cash, net of costs	10,664,800	88,567	234,724				234,724
Upon exercise of stock options	383,937		879				879
In exchange for wireless properties		595,309	7,117				7,117
Class B shares exchanged for Class A shares	3,491,954	(3,491,954)					
Deferred compensation			1,829	$ (800)			1,029
Net loss						(130,105)	(130,105)
Balance, December 31, 1996	14,540,691	55,239,157	569,278	(800)		(214,229)	354,249
Shares issued:							
Upon exercise of stock options	268,763		1,077				1,077
In exchange for wireless properties	1,600,000		28,600				28,600
Private placement	3,888,888		74,300				74,300
Class B shares exchanged for Class A shares	1,807,994	(1,807,994)					
Deferred compensation	95,000		1,781	(45)			1,736
Net loss						(265,534)	(265,5[illegible]
Balance, December 31, 1997	22,201,336	53,431,163	675,036	(845)		(479,763)	194,42[illegible]
Shares issued:							
Upon exercise of stock options	290,871		1,159				1,159
Excess of net book value from the sale of minority interest in consolidated subsidiaries			121,998				121,998
Class B shares exchanged for Class A shares	16,118,686	(16,118,686)					
Deferred compensation	100,000		2,438	(366)			2,07[illegible]
Foreign currency translation adjustment					(2,328)		(2,328)
Net loss						(224,069)	(224,069)
Balance, December 31, 1998	38,710,893	37,312,477	$ 800,631	$ (1,211)	$ (2,328)	$ (703,832)	$ 93,260

See accompanying notes to consolidated financial statements

WESTERN WIRELESS CORPORATION
Consolidated Statements of Cash Flows
(Dollars in thousands)

	For the year ended December 31,		
	1998	1997	1996
Operating Activities:			
Net loss	$ (224,069)	$ (265,534)	$ (130,105)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	158,169	133,470	79,741
Employee equity compensation	1,972	1,835	1,029
Equity in net loss of unconsolidated affiliates	28,866	11,058	968
Minority interest in net loss of consolidated subsidiaries	(44,035)		
Other, net	4,343	4,834	3,088
Changes in operating assets and liabilities, net of effects from consolidating acquired interests:			
Accounts receivable, net	(14,137)	(23,871)	(10,309)
Inventory	7,496	(9,481)	(20,493)
Prepaid expenses and other current assets	1,279	(16,913)	(10,979)
Accounts payable	9,754	(4,807)	5,771
Accrued liabilities	24,100	54,911	19,956
Net cash used in operating activities	(46,262)	(114,498)	(61,333)
Investing activities:			
Purchase of property and equipment	(279,874)	(318,750)	(333,315)
Additions to licensing costs and other intangible assets	(21,341)	(71,917)	(86,097)
Acquisition of wireless properties, net of cash acquired	(35,346)	(195,790)	(40,180)
Investments in and advances to unconsolidated affiliates	(49,702)	(63,402)	(5,994)
Deposit held by FCC, net		7,749	(23,500)
Other assets	(2,494)	(10,194)	
Net cash used in investing activities	(388,757)	(652,304)	(489,086)
Financing activities:			
Proceeds from issuance of common stock, net	1,159	75,376	235,603
Additions to long term debt	600,000	722,000	893,000
Repayment of debt	(410,000)	(70,000)	(512,722)
Deferred financing costs	(5,059)		(19,149)
Proceeds from sale of minority interest in consolidated subsidiary, net	243,709		
Net cash provided by financing activities	429,809	727,376	596,732
Change in cash and cash equivalents	(5,210)	(39,426)	46,313
Cash and cash equivalents, beginning of year	15,459	54,885	8,572
Cash and cash equivalents, end of year	$ 10,249	$ 15,459	$ 54,885

See accompanying notes to consolidated financial statements

1. Organization:

Western Wireless Corporation ("Western Wireless") provides wireless communications services in the United States principally through the ownership and operation of cellular and personal communications services ("PCS") systems. Western Wireless provides cellular operations primarily in rural areas in 17 western states under the Cellular One ® brand name. Western Wireless provides PCS services through its 80.1% ownership in VoiceStream Wireless Corporation ("VoiceStream"). VoiceStream has commenced commercial operations in ten markets under the VoiceStream® brand name using the GSM technology. Additionally, VoiceStream PCS services are offered in three additional markets in conjunction with joint ventures.

Through international joint ventures, Western Wireless International ("WWI"), a subsidiary of Western Wireless, has interests in (and in some cases manages) wireless licenses in certain foreign countries, including Gahna, Iceland, Haiti, Croatia and the Republics of Latvia and Georgia. In addition, WWI has interests in entities which have made wireless license applications in certain other foreign countries.

On February 8, 1999, Western Wireless announced its intention to separate VoiceStream from Western Wireless' other operations (the "Spin-off"). Western Wireless has received a favorable ruling by the Internal Revenue Service for a tax free spin-off, and the approval by its board of directors to take the necessary steps to complete the Spin-off. Western Wireless will distribute all of its interest in VoiceStream to its shareholders upon the Spin-off. Although VoiceStream has been operated separately from Western Wireless' other operations and has been a separate legal entity since its inception, the Spin-off will establish VoiceStream as a stand-alone entity with objectives separate from those of Western Wireless. The Spin-off is subject to numerous conditions including, among others, the receipt of certain government and third party approvals. There is no assurance that such conditions will be met to complete the Spin-off.

Western Wireless expects that VoiceStream will incur significant operating losses and generate negative cash flows from operating activities during the next several years while it expands its PCS systems and customer base.

2. Summary of Significant Accounting Policies:

Principles of consolidation:

The consolidated financial statements include the accounts of Western Wireless, its wholly owned subsidiaries and its affiliate investments in which Western Wireless has a greater than 50% interest that is not temporary. All affiliate investments in which Western Wireless has between a 20% and 50% interest and those that are temporarily greater than 50% are accounted for using the equity method. All significant intercompany accounts and transactions have been eliminated.

Cash and cash equivalents:

Cash and cash equivalents generally consist of cash and marketable securities that have original maturity dates not exceeding three months. Such investments are stated at cost, which approximates fair value.

Revenue recognition:

Service revenues based on customer usage are recognized at the time the service is provided. Access and special feature service revenues are recognized when earned. Sales of equipment, primarily handsets, are recognized when the goods are delivered to the customer.

Inventory:

Inventory consists primarily of handsets and accessories. Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis.

. Summary of Significant Accounting Policies (continued):

Property and equipment and depreciation:

Property and equipment are stated at cost. Depreciation commences once the assets have been placed in service and is computed using the straight-line method over the estimated useful lives of the assets which primarily range from three to twenty years.

Licensing costs and other intangible assets and amortization:

Licensing costs primarily represent costs incurred to acquire Federal Communication Commission's ("FCC") wireless licenses, including cellular licenses principally obtained through acquisitions, and PCS licenses primarily purchased from the FCC.

Amortization of cellular licenses is computed using the straight-line method. Effective January 1, 1997, Western Wireless prospectively changed its amortization period for cellular licensing costs from 15 years to 40 years to conform more closely with industry practices. The effect of this change in 1997 was to decrease net loss by approximately $15 million and decrease the loss per share by $0.21. Amortization of PCS licenses begins with the commencement of service to customers and is computed using the straight-line method over 40 years.

Other intangible assets consist primarily of deferred financing costs. Deferred financing costs are amortized using the effective interest method over the terms of the respective loans.

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of," Western Wireless periodically evaluates whether there has been any indication of impairment of its long-lived assets, including its licensing costs and other intangibles. As of December 31, 1998, there has been no indication of such impairment.

Capitalized Interest:

VoiceStream PCS licenses and wireless communications systems represent qualified assets pursuant to SFAS No. 34, "Capitalization of Interest Cost." VoiceStream capitalized interest of $1.8 million in 1998 and $4.0 million in 1997.

Income taxes:

Deferred tax assets and liabilities are recognized based on temporary differences between the financial statements and the tax bases of assets and liabilities using enacted tax rates expected to be in effect when they are realized. A valuation allowance against deferred tax assets is recorded, if, based upon weighted available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Loss per common share:

Loss per common share is calculated using the weighted average number of shares of outstanding common stock during the period. The number of shares outstanding has been calculated based on the requirements of SFAS No. 128, "Earnings Per Share." Due to the net loss incurred during the periods presented, all options outstanding are anti-dilutive, thus basic and diluted loss per share are equal.

Stock-based compensation plans:

Western Wireless accounts for its stock-based compensation plans under APB Opinion No. 25, "Accounting for Stock Issued to Employees." See Note 12 for discussion of the effect on net loss and other related disclosures had Western Wireless accounted for these plans under SFAS No. 123, "Accounting for Stock-Based Compensation."

2. Summary of Significant Accounting Policies (continued):

Foreign currency translation:

For operations outside the United States that prepare financial statements in currencies other than the United States dollar, results of operations and cash flows are translated at average exchange rates during the period, and assets and liabilities are translated at end of period exchange rates. Translation adjustments are included as a separate component of shareholders' equity.

Fair value of financial instruments:

As required under the Cellular and PCS Credit Facilities (as defined in Note 7), Western Wireless enters into interest rate swap and cap agreements to manage interest rate exposure pertaining to long-term debt. Western Wireless has only limited involvement with these financial instruments, and does not use them for trading purposes. In addition, Western Wireless has historically held derivative financial instruments to maturity and has never recognized a material gain or loss on disposal. It is Western Wireless' intent to hold existing derivatives to maturity. Interest rate swaps are accounted for on an accrual basis, the income or expense of which is included in interest expense. Premiums paid to purchase interest rate cap agreements are classified as an asset and amortized to interest expense over the terms of the agreements. These transactions do not subject Western Wireless to risk of loss because gains and losses on these contracts are offset against losses and gains on the underlying liabilities. No collateral is held in relation to financial instruments.

The carrying value of short-term financial instruments approximates fair value due to the short maturity of these instruments. The fair value of long-term debt is based on incremental borrowing rates currently available on loans with similar term and maturities. Western Wireless does not hold or issue any financial instruments for trading purposes.

Supplemental cash flow disclosure:

Cash paid for interest (net of amounts capitalized) was $123.2 million in 1998, $87.4 million in 1997 and $36.2 million in 1996.

Non-cash investing and financing activities were as follows:

(Dollars in thousands)	Year ended December, 31		
	1998	1997	1996
Release of cash held in escrow	$ 15,000		
Contribution of wireless licenses to joint ventures	$ 14,744		
Conversion of FCC deposit to wireless license		$ 17,251	
Conversion of revolving debt to term debt			$ 200,000
Issuance of common stock in exchange for wireless assets		$ 28,600	$ 7,117

Estimates used in preparation of financial statements:

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 periods. Actual results could differ from those estimates.

Reclassifications:

Certain amounts in prior year's financial statements have been reclassified to conform to the 1998 presentation.

⁉. Summary of Significant Accounting Policies (continued):

Recently issued accounting standards:

In June 1998, the Financial Accounting Standards Board issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." It requires the recognition of all derivatives as either assets or liabilities and the measurement of those instruments at fair value. The required adoption period is effective for the issuance of Western Wireless' March 31, 2000, quarterly financial statements. The implementation of SFAS No. 133 is not expected to have a material impact on Western Wireless' financial position or results of operations.

The American Institute of Certified Public Accountants recently issued Statement of Position (SOP) 98-5, "Reporting on the Costs of Start-Up Activities." This SOP provides guidance on the financial reporting of start-up costs and organizational activities. It requires costs of start-up activities and organizational costs to be expensed as incurred. SOP 98-5 is not expected to materially affect the financial position or results of operations of Western Wireless. The required adoption period is effective for the issuance of Western Wireless' December 31, 1999, financial statements

3. Property and Equipment:

(Dollars in thousands)	December 31,	
	1998	1997
Land, buildings and improvements	$ 28,297	$ 20,406
Wireless communications systems	845,897	697,319
Furniture and equipment	99,542	74,768
	973,736	792,493
Less accumulated depreciation	(360,184)	(221,031)
	613,552	571,462
Construction in progress	278,045	127,667
	$ 891,597	$ 699,129

Depreciation expense was $139.8 million in 1998, $119.1 million in 1997 and $54.9 million in 1996.

4. Licensing Costs and Other Intangible Assets:

(Dollars in thousands)	December 31,	
	1998	1997
License costs	$ 884,991	$ 846,466
Other intangible assets	40,846	33,992
	925,837	880,458
Accumulated amortization	(95,008)	(73,049)
	$ 830,829	$ 807,409

Amortization expense was $18.4 million in 1998, $14.4 million in 1997 and $24.8 million in 1996.

5. Investments In and Advances To Unconsolidated Affiliates:

(Dollars in thousands)	December 31, 1998	December 31, 1997
VoiceStream PCS:		
Cook Inlet PCS	$ 47,889	$ 36,055
Iowa Wireless	10,563	
Other PCS investments	2,486	
Western Wireless International:		
Latcom Wireless Telephone Co.	12,724	11,791
ACG Telesystems Ghana, LLC	13,122	8,706
Other international investments	11,817	7,604
	$ 98,601	$ 64,156

Western Wireless' ownership interest in these unconsolidated affiliates range from 18% to 63%. Those ownership interests greater than 50% are temporary, therefore the entities are not consolidated.

VoiceStream Investments:

A subsidiary of VoiceStream holds a 49.9% interest in Cook Inlet Western Wireless PV/SS PCS, L.P. ("Cook Inlet PCS"). Cook Inlet PCS is subject to the FCC build-out requirements and will require significant additional amounts to complete the build-out of its PCS systems and to meet the government debt service requirements on its C and F Block licenses. The potential sources of such additional funding include vendor loans, loans or capital contributions by the partners of Cook Inlet PCS or other third party financing. VoiceStream funded the operations of Cook Inlet PCS during 1998 and 1997 through loans evidenced by promissory notes which are due 180 days after the date of issuance. The weighted average interest rate was 15% for 1998 and 1997. All promissory notes that have come due were replaced with new promissory notes.

During the second quarter of 1998, Cook Inlet PCS participated in the C Block restructuring options provided by the FCC. The FCC provided for various options, including: (1) to return to the FCC entire licenses purchased in the C Block auction and be relieved of 100% of the related debt ("Amnesty"); and (2) to return 15 MHz, from a total of 30 MHz, of the licenses purchased in the auction and be relieved of one half of the related debt ("Disaggregation"). Of the licenses purchased in the C Block auction, Cook Inlet PCS chose Amnesty for two Basic Trading Area ("BTA") licenses and Disaggregation for 11 BTA licenses. This resulted in a reduction of Cook Inlet PCS's debt of $29.1 million and a gain of $3.9 million, due to the retroactive adjustment of interest accrued on the related debt, the effect of which reduced the equity losses picked up by VoiceStream for the second quarter.

In September 1997, a wholly owned subsidiary of VoiceStream and a subsidiary of Iowa Network Services, Inc., formed a limited partnership ("Iowa Wireless") to build and operate a PCS network under the VoiceStream brand name covering certain metropolitan areas in Iowa and the major interstate and state highways linking such areas. In 1998, VoiceStream contributed certain licenses that it purchased in the FCC's A and D Block auctions for approximately $12.3 million to the venture for an approximate 38% ownership interest.

Western Wireless *International Investments:*

In October 1998, a joint venture in which, WWI owns a 19.0% minority interest was granted a license to provide wireless communication services in Croatia. WWI contributed $3.3 million for the purchase of the license.

In September 1998, a joint venture in which, WWI owns a 28.5% minority interest was granted a license to provide wireless communication services in Haiti. WWI contributed $8.5 million for the purchase of the license.

. Investments In and Advances To Unconsolidated Affiliates (continued):

In June 1998, WWI, through a controlling interest in a partnership (the "Ireland Partnership"), was notified by the Irish Government that it was the preferred applicant for a DCS-1800/GSM 900 mobile communication license in Ireland. The amount bid by the Ireland Partnership on this license was $16.2 million, including related fees. The license has not yet been issued, as the decision by the Irish Government is subject to a pending legal proceeding.

The following summarized financial information represents the combined assets, liabilities and results of operations of Western Wireless' unconsolidated affiliates. Individually, these unconsolidated affiliates are not material to Western Wireless' assets, liabilities or results of operations, however, as a group they represent a material portion of Western Wireless' operating results. The information provided represents 100% of these entities assets, liabilities and results of operations, not just Western Wireless' portion.

(Dollars in thousands)	December 31,	
	1998	1997
Combined Balance Sheet Data:		
Total current assets	$ 16,872	$ 12,022
Total non-current assets	$ 243,290	$ 171,349
Total current liabilities	$ 95,000	$ 52,975
Total non-current liabilities	$ 160,858	$ 133,641
Combined Statements of Operations Data:		
Revenues	$ 30,235	$ 3,388
Operating expenses	55,176	22,076
Operating loss	(24,941)	(18,688)
Other income (expense)	(18,220)	(12,639)
Net loss	$ (43,161)	$ (31,327)

6. Accrued Liabilities:

(Dollars in thousands)	December 31,	
	1998	1997
Accrued payroll and benefits	$ 21,225	$ 15,111
Accrued interest expense	15,914	17,831
Accrued property taxes	26,432	13,428
Accrued taxes (other than income)	8,073	5,844
Final payment for acquisition		15,000
Accrued interconnect charges	10,344	8,149
Other	34,296	29,232
	$ 116,284	$ 104,595

7. Long-Term Debt:

(Dollars in thousands)	December 31, 1998	December 31, 1997
Cellular Credit Facility:		
Revolver	$ 445,000	$ 495,000
Term Loan	200,000	200,000
PCS Credit Facility:		
Revolver	290,000	
Term Loan	250,000	
10-1/2% Senior Subordinated Notes Due 2006	200,000	200,000
10-1/2% Senior Subordinated Notes Due 2007	200,000	200,000
PCS Vendor Facility		300,000
	$ 1,585,000	$ 1,395,000

Cellular Credit Facility:

Western Wireless has a credit facility with a group of banks (the "Cellular Credit Facility") pursuant to which the banks agreed to make loans to Western Wireless, on a revolving-credit basis, in an aggregate principal amount not to exceed $750 million (the "Cellular Revolver") and a term loan (the "Cellular Term Loan") of $200 million. The Cellular Revolver is limited to the principal amount outstanding on December 31, 2000. Western Wireless is required to make quarterly payments on the outstanding principal of the Cellular Revolver beginning March 31, 2001, and on the Cellular Term Loan beginning June 30, 2001. These payments increase each year on the anniversary date of the initial payment, until paid in full on December 31, 2005, for the Cellular Revolver and March 31, 2006, for the Cellular Term Loan. The Cellular Credit Facility also contains certain financial covenants, the most restrictive of which impose limitations on the incurrence of indebtedness.

Under the Cellular Credit Facility, interest is payable at an applicable margin in excess of a prevailing base rate. The prevailing rate is based on the prime rate, the CD rate or LIBOR. The applicable margin on the Cellular Revolver is determined quarterly based on the leverage ratio of Western Wireless, excluding certain of its subsidiaries. The applicable margin on the Cellular Term Loan is 2.5%. During 1998 and 1997, all loans under the Cellular Credit Facility had been borrowed using the LIBOR option. The weighted average interest rate, including the appropriate applicable margin, was 7.57% in 1998 and 8.22% in 1997. The Cellular Credit Facility also provides for an annual fee ranging from 0.25% to 0.375% on the unused commitment, payable quarterly.

The repayment of the Cellular Credit Facility is secured by, among other things, the grant of a security interest in substantially all of the assets of Western Wireless, excluding, among other items, the capital stock and assets of VoiceStream.

The Cellular Credit Facility requires Western Wireless to enter into interest rate swap and cap agreements to manage the interest rate exposure pertaining to borrowings under the Cellular Credit Facility. Western had entered into interest rate caps and swaps with a total notional amount of $325 million at December 31, 1998, and $365 million at December 31, 1997. Generally these instruments have initial terms ranging from three to 3-1/2 years and effectively convert variable rate debt to fixed rate. The weighted average interest rate under these agreements was approximately 7.67% in 1998 and 7.40% in 1997. The amount of unrealized loss attributable to changing interest rates at December 31, 1998 and 1997, was immaterial.

7. Long-Term Debt - (continued):

PCS Credit Facility:

In June 1998, a wholly owned subsidiary of VoiceStream (the "PCS Borrower") entered into a $1 billion credit facility with a consortium of lenders (the "PCS Credit Facility"). The PCS Credit Facility consists of $500 million in revolving credit and $250 million in a delayed draw term loan (collectively the "PCS Revolver"), and a term loan (the "PCS Term Loan") for $250 million. Beginning September 2001, the amount available to borrow under the PCS Revolver and the principal balance of the PCS Term Loan are to be reduced by various percentages each year. The PCS Revolver and the PCS Term Loan are due in their entirety on December 31, 2006, and June 30, 2007, respectively. The PCS Credit Facility also contains certain financial covenants, which, among other things, impose limitations on the amount of indebtedness, limit the amount of capital spending and impose limitations on acquisitions and investments. The repayment of the PCS Credit Facility is secured by, among other things, the grant of a security interest in substantially all of the assets of the PCS Borrower and its subsidiaries.

Under the PCS Credit Facility, interest is payable at an applicable margin in excess of a prevailing rate. The prevailing rate is based on the prime rate or LIBOR at the PCS Borrower's option. The applicable margin on the PCS Credit Facility is determined quarterly based on certain events and the leverage ratio of the PCS Borrower. The weighted average interest rate on all of VoiceStream's debt, including the appropriate margin, was 8.76% in 1998 and 8.20% in 1997. As of December 31, 1998, all loans under the PCS Credit Facility had been borrowed using the LIBOR option. The PCS Credit Facility also provides for an annual fee ranging from 0.375% to 0.5% on the unused commitment, payable quarterly.

The PCS Credit Facility requires VoiceStream to enter into interest rate swap and cap agreements to manage the interest rate exposure pertaining to borrowings under the PCS Credit Facility. VoiceStream had entered into interest rate caps and swaps with a total notional amount of $295 million at December 31, 1998. Generally these instruments have initial erms ranging from 1 to 4 years and effectively convert variable rate debt to fixed rate. The weighted average interest rate under these agreements was approximately 6.11% in 1998. The amount of unrealized gain or loss attributable to changing interest rates at December 31, 1998, was not material.

Interest only payments are required through June 30, 2001. Commencing September 30, 2001, and at the end of each calendar quarter thereafter, VoiceStream is required to make payments on the principal amount outstanding under the PCS Credit Facility in increasing quarterly installments.

Immediately after entering into the PCS Credit Facility, VoiceStream paid off, in its entirety, the balance owed under the $300 million PCS Vendor Facility.

10-1/2% Senior Subordinated Notes Due 2006:

In May 1996, Western Wireless issued at par $200 million of 10-1/2% Senior Subordinated Notes that mature on June 1, 2006 (the "2006 Notes"). Interest is payable semi-annually. The 2006 Notes may be redeemed at any time at the option of Western Wireless, in whole or from time to time in part, at varying redemption prices. The Cellular and PCS Credit Facilities prohibit the repayment of all or any portion of the principal amount of the 2006 Notes prior to the repayment of all indebtedness under each credit facility. The 2006 Notes contain certain restrictive covenants which impose limitations on the operations and activities of Western Wireless and certain of its subsidiaries, including the incurrence of other indebtedness, the creation of liens, the sale of assets, issuance of preferred stock of subsidiaries, and certain investments and acquisitions. The 2006 Notes are subordinate in right of payment to the Cellular Credit Facility and the PCS Credit Facility.

7. Long-Term Debt - (continued):

10-1/2% Senior Subordinated Notes Due 2007:

In October 1996, Western Wireless issued at par $200 million of 10-1/2% Senior Subordinated Notes that mature on February 1, 2007 (the "2007 Notes"). Interest is payable semi-annually. The 2007 Notes were issued *pari passu* to the 2006 Notes. As such, the 2007 Notes may be redeemed at any time at the option of Western Wireless, in whole or from time to time in part, at varying redemption prices. The Cellular and PCS Credit Facilities prohibit repayment of all or any portion of the principal amount of the 2007 Notes prior to the repayment of all indebtedness under each credit facility. The 2007 Notes contain certain restrictive covenants which are consistent with that of the 2006 Notes. The 2007 Notes are subordinate in right of payment to the Cellular Credit Facility and the PCS Credit Facility.

The aggregate amounts of principal maturities as of December 31, 1998, are as follows *(dollars in thousands)*:

Year ending December 31,		
1999	$	0
2000		0
2001		63,000
2002		100,250
2003		159,250
Thereafter		1,262,500
	$	1,585,000

8. Commitments:

Western Wireless leases various facilities, cell site locations, rights-of-way and equipment under operating lease agreements. The leases expire at various dates through the year 2027. Some leases have options to renew for additional periods up to 25 years. Certain leases require Western Wireless to pay property taxes, insurance and normal maintenance costs. Substantially all of Western Wireless' leases have fixed minimum lease payments. Western Wireless has no significant capital lease liabilities.

Future minimum payments required under operating leases and agreements that have initial or remaining noncancellable terms in excess of one year as of December 31, 1998, are summarized below *(dollars in thousands)*:

Year ending December 31,		
1999	$	40,442
2000		37,346
2001		31,297
2002		20,185
2003		14,002
Thereafter		34,797
	$	178,069

Aggregate rental expense for all operating leases was approximately $33.5 million in 1998, $28.0 million in 1997 and $14.2 million in 1996.

In order to ensure adequate supply and availability of certain inventory requirements and service needs, Western Wireless has committed to purchase from various suppliers wireless communications equipment and services. These agreements expire at various dates through December 2005. The aggregate amount of these commitments total approximately $550 million. At December 31, 1998, Western Wireless has ordered approximately $409 million under all of these agreements, of which approximately $14 million is outstanding.

3. Commitments (continued):

Western Wireless has various other purchase commitments for materials, supplies and other items incident to the ordinary course of business which are neither significant individually nor in the aggregate. Such commitments are not at prices in excess of current market value.

9. Income Taxes:

Significant components of deferred income tax assets and liabilities, net of tax, are as follows:

(Dollars in thousands)	December 31,	
	1998	1997
Deferred tax assets:		
Net operating loss carryforwards	$ 353,700	$ 228,800
Other temporary differences	25,900	17,200
Total deferred tax assets	379,600	246,000
Valuation allowance	(298,600)	(195,600)
	81,000	50,400
Deferred tax liabilities:		
Property and wireless licenses basis difference	(81,000)	(50,400)
	$ 0	$ 0

Western Wireless had available at December 31, 1998, net operating loss ("NOL") carryforwards of approximately $887 million. Of this amount, approximately $707 million is related to cumulative losses incurred by VoiceStream from its PCS operations. The NOL carryforwards will expire between 2002 and 2018. Western Wireless may be limited in its ability to use these carryforwards in any one year due to ownership changes that preceded the business combination that formed Western Wireless in July 1994. The change in the valuation allowance increased $103 million in 1998, $107 million in 1997 and $56 million in 1996.

Management believes that available objective evidence creates sufficient uncertainty regarding the realization of the net deferred tax assets. Such factors include recurring operating losses resulting primarily from the development of VoiceStream's PCS business and expected increased competition from new entrants into Western Wireless' cellular markets. Accordingly, a valuation allowance has been provided for the net deferred tax assets of Western Wireless.

The difference between the statutory tax rate of approximately 40% (35% federal and 5% state, net of federal benefits) and the tax benefit of zero recorded by Western Wireless is primarily due to the full valuation allowance against net deferred tax assets. Western Wireless' ability to utilize the NOL carryforwards in any given year may be limited by certain events, including a significant change in ownership interest.

After the Spin-off, the NOL carryforwards resulting from VoiceStream's cumulative tax losses will remain with VoiceStream. Pursuant to a tax sharing agreement entered into at the time of the Hutchison Investment (as defined in note 10), VoiceStream will pay Western Wireless an amount representative of the tax benefit of NOLs generated while VoiceStream was a wholly-owned subsidiary of Western Wireless. This payment will not exceed $20 million, net of taxes.

10. Minority Interest in Consolidated Subsidiaries:

In February 1998, Hutchison Telecommunications Limited ("HTL") and a subsidiary of HTL (the "HTL Sub") purchased 19.9% of VoiceStream for an aggregate purchase price of $248.4 million (the "Hutchison Investment"). Western Wireless and VoiceStream have amended certain outstanding financing agreements to which they are subject, and unless otherwise agreed to by HTL Sub and Western Wireless, neither Western Wireless nor VoiceStream shall have any liability regarding any indebtedness of the other. The HTL Sub designated two directors to a ten person Board of Directors of VoiceStream, who have approval rights over certain transactions of VoiceStream.

The term of the Hutchison Investment restrict, among other things, the transfer of assets between Western Wireless and VoiceStream as well as the distribution of dividends or other distributions by VoiceStream.

11. Shareholders' Equity:

Stock issuances:

In May 1998, Western Wireless completed a secondary offering on form S-3 (the "Secondary Offering") of 13,915,000 Class A Common Stock shares (including on over-allotment exercised by the underwriters). Western Wireless did not issue any new primary shares and received no proceeds from the Secondary Offering. The shares were offered by certain shareholders of Western Wireless who elected to convert a portion of their Class B Common Stock into publicly traded Class A Common Stock for sale pursuant to a registration statement. No member of management of Western Wireless sold any shares in the Secondary Offering.

Western Wireless issued 100,000 shares in 1998 and 95,000 in 1997, of its Class A Common Stock to certain key executives pursuant to an Executives Restricted Stock Plan. The vesting of these shares are subject to certain performance thresholds as determined by the Board of Directors. Under this same plan, 105,000 shares were issued in January of 1999.

In November 1997, Western Wireless issued 3,888,888 new shares of its Class A common stock (approximately 5% of the then outstanding capital stock of Western Wireless) to a subsidiary of HTL for a purchase price of approximately $74 million.

In October 1997, Western Wireless issued 1,600,000 new shares of its Class A Common Stock as a portion of the consideration to purchase the cellular business and assets of Triad (see Note 13).

Other transactions:

In February 1998, Western Wireless received additional paid-in capital of approximately $123.2 million related to the Hutchison Investment. This represents the amount in excess of the book value of VoiceStream for the 19.9% interest purchased by the HTL Sub.

12. Stock-Based Compensation Plans:

The Management Incentive Stock Option Plan (the "MISOP"), which has been effective since 1994, provides for the issuance of up to 5,890,000 shares of common stock as either Nonstatutory Stock Options or as Incentive Stock Options, the terms and conditions of which are at the discretion of the administrator of the MISOP.

.2. Stock-Based Compensation Plans (continued):

The Employee Stock Purchase Plan (the "ESPP"), which has been effective since 1997, provides for the issuance of up to 1,000,000 shares of Class A Common Stock to eligible employees participating in the plan. The terms and conditions of eligibility under the ESPP require that an employee must have been employed by Western Wireless or its subsidiaries for at least three months prior to participation. A participant may contribute up to 10% of their total annual compensation toward the ESPP, not to exceed the IRS contribution limit each calendar year. Shares are offered under this ESPP at 85% of market value at each offer date. Participants are fully vested at all times.

At December 31, 1998, 1997, and 1996 Western Wireless has accounted for the above described MISOP and ESPP following the guidelines of APB Opinion No. 25 and related interpretations. Had compensation cost for the MISOP and the ESPP been determined based upon the fair value at the grant dates for awards under these plans consistent with the method defined in SFAS No. 123, Western Wireless' net loss and basic loss per share would have increased to the pro forma amounts indicated below:

(Dollars in thousands, except per share data)	Year ended December 31,		
	1998	1997	1996
Net loss:			
As reported	$ (224,069)	$ (265,534)	$ (130,105)
Pro forma	$ (232,110)	$ (271,745)	$ (134,255)
Basic and diluted loss per share:			
As reported	$ (2.95)	$ (3.76)	$ (2.00)
Pro forma	$ (3.06)	$ (3.84)	$ (2.06)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model using ne following weighted-average assumptions:

	1998	1997	1996
Weighted average risk free interest rates	5.75%	6.28%	6.33%
Expected dividend yield	0%	0%	0%
Expected volatility	50%	50%	50%
Expected lives (in years)	7.5	7.5	7.5

The Black-Scholes option-pricing model requires the input of highly subjective assumptions and does not necessarily provide a reliable measure of fair value.

Options granted, exercised and canceled under the above MISOP are summarized as follows:

(In thousands, except pricing information)	Year ended December 31,					
	1998		1997		1996	
	Shares	Weighted average price	Shares	Weighted average price	Shares	Weighted average price
Outstanding, beginning of period	3,711	$ 9.79	4,165	$ 9.66	3,538	$ 8.02
Options granted	992	$ 17.41	18	$ 14.65	1,139	$ 12.54
Options exercised	(291)	$ 5.02	(269)	$ 4.85	(384)	$ 2.28
Options cancelled	(64)	$ 14.32	(203)	$ 13.12	(128)	$ 12.06
Outstanding, end of the period	4,348	$ 11.78	3,711	$ 9.79	4,165	$ 9.65
Exercisable, end of period	2,656	$ 9.36	2,384	$ 8.23	1,877	$ 6.36

The weighted average fair value of stock options granted was $9.75 in 1998, $9.34 in 1997 and $9.79 in 1996.

12. Stock-Based Compensation Plans (continued):

The following table summarizes information about fixed price stock options outstanding at December 31, 1998:

(in thousands, except pricing information)	Options outstanding			Options exercisable	
Range of exercise prices	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable	Weighted average exercise price
$ 1.10 - $ 4.03	690	4 years	$ 2.78	690	$ 2.78
$ 9.68 - $ 9.68	625	6 years	$ 9.68	625	$ 9.68
$ 11.29 - $ 12.90	1,200	7 years	$ 12.01	917	$ 12.02
$ 13.73 - $ 16.13	854	8 years	$ 13.85	423	$ 13.84
$ 17.38 - $ 19.94	979	9 years	$ 17.41	0	$ 0
$ 1.10 - $ 19.94	4,348	7 years	$ 11.78	2,655	$ 9.36

All options outstanding at December 31, 1998, have been issued by Western Wireless. After the Spin-off, VoiceStream intends to have its own stock option plans that are substantially similar to the plans that are currently administered by Western Wireless. In connection with the Spin-off, (i) Western Wireless option holders will receive one vested VoiceStream option and one vested Western Wireless option for each existing vested Western Wireless option at the Spin-off; and (ii) Western Wireless option holders who become VoiceStream employees will receive for each unvested Western Wireless option at the Spin-off a number of unvested VoiceStream options. It is anticipated the new options will have the same vesting schedule and expiration dates as the original options issued by Western Wireless. Proforma disclosures required under SFAS 123 are not presented as the number of VoiceStream options as of the Spin-off is not yet ascertainable.

13. Acquisitions:

All of these acquisitions were accounted for using the purchase method of accounting. Substantially all of the purchase price of each of the acquisitions was allocated to licensing costs.

Cellular acquisitions:

Subsequent to December 31, 1998, Western Wireless signed an agreement to purchase the cellular licenses and operations of the Brownsville, TX and McAllen, TX Metropolitan Statistical Areas ("MSA") for an aggregate amount of approximately $95.0 million in cash. This purchase is pending approval from the FCC. Additionally, Western Wireless has purchased the cellular license and operations of the Wyoming 4 and Oklahoma 1 Rural Service Areas ("RSA") for an aggregate amount of approximately $19.0 million in cash. Western Wireless had previously operated the Wyoming 4 RSA under an Interim Operating Authority ("IOA") from the FCC.

In August 1998, Western Wireless purchased the cellular license and operations of the Colorado 4 RSA for approximately 18.5 million in cash.

In June 1998, Western Wireless purchased the cellular license and operations of the Nebraska 5 RSA for approximately $15.5 million in cash. Prior to the purchase of the Nebraska 5 RSA, Western Wireless operated this market under an IOA from the FCC.

In March 1998, Western Wireless was granted 52 Local Multipoint Distribution Service ("LMDS") licenses that it was the high bidder on in an FCC auction. Western Wireless paid approximately $14.9 million for these licenses.

13. Acquisitions (continued):

In October 1997, Western Wireless consummated the purchase of the cellular business and assets of Triad (the "Triad Acquisition") in the RSAs designated as Texas 1, 2, 4, and 5, Utah 3, 4 and 6, Oklahoma 7 and 8 and Minnesota 7, 8 and 9, for an aggregate purchase price of (i) approximately $194.5 million, plus (ii) 1,600,000 shares of Western Wireless Class A Common Stock (with a fair market value of $28.6 million). In accordance with its agreement with Triad, Western Wireless filed a shelf Registration Statement on Form S-3 covering future resales of such shares.

During 1996 Western Wireless acquired two cellular RSAs and one cellular MSA in the western United States. The aggregate cash paid for these transactions was $35.6 million. Substantially all of the purchase price of each acquisition was allocated to licensing costs.

PCS acquisitions:

Of the 52 LMDS licenses purchased by Western Wireless in the first quarter of 1998, 16 were purchased on behalf of VoiceStream. VoiceStream paid approximately $8.7 million for these licenses.

In October 1997, as part of the Triad Acquisition, Western Wireless purchased on behalf of VoiceStream, various D and E Block PCS licenses for an aggregate purchase price of approximately $4.6 million.

In June 1996, Western Wireless purchased, on behalf of VoiceStream, a Denver MTA PCS wireless license for $66.1 million.

14. Selected Quarterly Consolidated Financial Information (Unaudited):

Selected quarterly consolidated financial information for the years ended December 31, 1998 and 1997 is as follows:

(Dollars in thousands, except per share data)

Quarter ended	Total revenues	Operating loss	Net loss	Basic loss per common share
March 31, 1998	$ 120,513	$ (32,245)	$ (64,150)	$ (0.85)
June 30, 1998	$ 134,912	$ (31,966)	$ (53,040)	$ (0.70)
September 30, 1998	$ 157,550	$ (24,619)	$ (49,673)	$ (0.65)
December 31, 1998	$ 171,607	$ (34,534)	$ (57,206)	$ (0.75)
March 31, 1997	$ 71,560	$ (37,391)	$ (55,173)	$ (0.79)
June 30, 1997	$ 90,642	$ (45,269)	$ (70,025)	$ (1.00)
September 30, 1997	$ 104,994	$ (38,233)	$ (68,043)	$ (0.97)
December 31, 1997	$ 113,382	$ (38,768)	$ (72,293)	$ (0.99)

15. Segment Information:

Western Wireless operations are classified into two principal reportable segments: cellular and PCS. Western Wireless provides cellular services in rural markets and VoiceStream provides PCS services in urban markets, both in the western United States. The type of service provided in each segment is similar, although PCS generally offers more features. Certain centralized general and administrative costs and assets benefit all of Western Wireless' operations. Such centralized items include the costs of customer service and accounting as well as the assets to support these functions. These items are allocated to the segments in a manner which reflects the relative time devoted to each of the segments.

(Dollars in thousands)	Cellular Operations	PCS Operations	Other (a) Operations	Consolidated
Year ended December 31, 1998				
Total revenues	$ 416,620	$ 167,962		$ 584,582
Interest expense	$ 92,227	$ 34,118		$ 126,345
Depreciation and amortization expense	$ 74,402	$ 83,767		$ 158,169
Operating income (loss)	$ 81,280	$ (204,644)		$ (123,364)
Total capital expenditures	$ 73,371	$ 206,503		$ 279,874
Total assets	$ 859,245	$ 1,051,656	$ 47,293	$ 1,958,194
Year ended December 31, 1997				
Total revenues	$ 302,848	$ 77,730		$ 380,578
Interest expense	$ 41,406	$ 57,558		$ 98,964
Depreciation and amortization expense	$ 66,595	$ 66,875		$ 133,470
Operating income (loss)	$ 37,280	$ (196,941)		$ (159,661)
Total capital expenditures	$ 54,318	$ 264,432		$ 318,750
Total assets	$ 866,805	$ 822,291	$ 30,877	$ 1,719,973
Year ended December 31, 1996				
Total revenues	$ 225,546	$ 17,539		$ 243,085
Interest expense	$ 41,083	$ 3,607		$ 44,690
Depreciation and amortization expense	$ 65,346	$ 14,395		$ 79,741
Operating income (loss)	$ (5,057)	$ (81,829)		$ (86,886)
Total capital expenditures	$ 98,953	$ 234,362		$ 333,315
Total assets	$ 622,197	$ 614,127	$ 5,379	$ 1,241,703

(a) Includes amounts related to international investments.

16. Related Party Transactions:

In connection with the 2006 Notes and equity offerings during the second quarter of 1996, Western Wireless paid total underwriting fees of approximately $23.3 million. In connection with the 2007 Notes during the third quarter of 1996, Western Wireless paid total underwriting fees of approximately $5.5 million. Goldman, Sachs & Co., an affiliate of a shareholder of Western Wireless, was the lead underwriter on each offering.

17. Proforma Condensed Financial Information:

The proforma condensed financial information presented below represents the balance sheet and statement of operations of Western Wireless as if the Spin-off occurred at December 31, 1998. Therefore, the statements below reflect VoiceStream and all of its subsidiaries as discontinued operations.

(Dollars in thousands, unaudited)	December 31, 1998		
Proforma condensed Balance Sheet:	Historical presentation	Proforma adjustments	Proforma results
Current assets	$ 124,255	$ (59,398)	$ 64,857
Property and equipment, net	891,597	(619,280)	272,317
Licensing costs and other intangible assets, net	830,829	(312,040)	518,789
Other assets	111,513	(60,938)	50,575
Net assets from discontinued operations		314,762	314,762
Total assets	$ 1,958,194	$ (736,894)	$ 1,221,300
Current liabilities	$ 202,356	$ (119,955)	$ 82,401
Long-term debt	1,585,000	(540,000)	1,045,000
Minority interest	77,578	(76,939)	639
Common stock and other equity	797,092		797,092
Deficit	(703,832)		(703,832)
Total liabilities and shareholders' equity	$ 1,958,194	$ (736,894)	$ 1,221,300
Proforma condensed Statement of Operations:			
Subscriber revenues	$ 454,016	$ (123,966)	$ 330,050
Roamer revenues	70,250	(3,506)	66,744
Equipment sales and other revenues	60,316	(40,490)	19,826
Total revenues	584,582	(167,962)	416,620
Cost of service	106,570	(50,978)	55,592
Cost of equipment sales	110,220	(77,071)	33,149
General and administrative	164,231	(75,343)	88,888
Sales and marketing	168,756	(85,447)	83,309
Depreciation and amortization	158,169	(83,767)	74,402
Total operating expenses	707,946	(372,606)	335,340
Operating income (loss)	(123,364)	204,644	81,280
Other income (expense):			
Interest and financing expense, net.	(126,345)	34,118	(92,227)
Equity in net loss of affiliates	(28,866)	24,120	(4,746)
Other, net	10,471	(8,616)	1,855
Other income (expense)	(144,740)	49,622	(95,118)
Minority interest in net loss of consolidated subsidiaries	44,035	(43,556)	479
Net loss from continuing operations	(224,069)	(210,710)	(13,359)
Loss from discontinued operations		(210,710)	(210,710)
Net loss	$ (224,069)	$	$ (224,069)
Basic loss from continuing operations per common share			$ (0.17)
Basic loss from discontinued operations per common share			$ (2.78)
Basic loss per common share	$ (2.95)		$ (2.95)

WESTERN WIRELESS CORPORATION
Schedule I - Condensed Financial Information
(Parent Company Only)
(Dollars in thousands)

Combined Balance Sheets Data:	As of December 31,	
	1998	1997
Total current assets	64,857	88,807
Total non-current assets	1,233,382	1,297,728
Total current liabilities	82,401	97,107
Total non-current liabilities	1,122,578	1,095,000

Combined Statements of Operations Data:	For the year ended December 31,		
	1998	1997	1996
Total revenues	416,620	302,848	225,54[illegible]
Operating expenses	335,340	265,568	230,60[illegible]
Operating income (loss)	81,280	37,280	(5,057)
Other income (expense)	(305,349)	(302,814)	(125,048)
Net loss	(224,069)	(265,534)	(130,105)
Combined Statements of Cash Flows Data:			
Operating activities:			
Net cash provided by operating activities	66,669	83,631	19,[illegible]
Investing activities:			
Purchase of property and equipment	(73,371)	(54,318)	(98,953)
Additions to licensing costs and other intangible assets	(8,470)	(283)	(1,984)
Acquisition of wireless properties, net of cash acquired	(35,346)	(191,145)	(40,180)
Investments in and advances to unconsolidated affiliates	90,003	(432,416)	(303,752)
Other assets	(2,494)	(10,194)	(880[illegible]
Net cash used in investing activities	(29,678)	(688,356)	(445,74[illegible]
Financing activities:			
Proceeds from issuance of common stock, net	(243,630)	75,376	235,603
Additions to long-term debt	60,000	565,000	763,000
Repayment of debt	(110,000)	(70,000)	(512,722)
Deferred financing costs			(19,149)
Proceeds from sale of minority interest in consolidated subsidiary	243,709		
Net cash (used in) provided by financing activities	(49,921)	570,376	466,732
Change in cash and cash equivalents	(12,930)	(34,349)	40,922
Cash and cash equivalents, beginning of year	15,122	49,471	8,549
Cash and cash equivalents, end of year	$ 2,192	$ 15,122	$ 49,471

See notes to condensed financial information

WESTERN WIRELESS CORPORATION
Schedule I - Condensed Financial Information
(Parent Company Only)
Notes to Condensed Financial Information

This Schedule I and the related notes should be read in conjunction with the Consolidated Financial Statements and Notes thereto.

1. Basis of Presentation:

The condensed financial information presented in Schedule I represents the balance sheet, statements of operations and cash flows of Western Wireless as if the subsidiary that is restricted under the Hutchison Investment (see note in consolidated footnotes) was an unconsolidated entity. Western Wireless less this subsidiary is referred to as "Parent Company Only" in Schedule I. Western Wireless ownership in such subsidiary has been reflected in this condensed financial information as if the investment was accounted for using the equity method.

2. Long-Term Debt Maturities:

The aggregate amounts of principal maturities as of December 31, 1998, of Western Wireless debt excluding the debt of the restricted subsidiary are as follows *(dollars in thousands)*:

Year ending December 31,	
1999	$ 0
2000	0
2001	46,000
2002	68,750
Thereafter	930,250
	$ 1,045,000

WESTERN WIRELESS CORPORATION
Schedule II Valuation and Qualifying Accounts
Accounts Receivable Allowance for Doubtful Accounts
(Dollars in thousands)

Description	Balance at beginning of period	Charged to costs and expenses	Charged to other accounts (1)	Deductions (2)	Balance at end of period
Year ended December 31, 1998	$ 9,931	$ 28,733	$ 1,107	$ (26,427)	$ 13,344
Year ended December 31, 1997	$ 4,266	$ 16,442	$ 1,121	$ (11,898)	$ 9,931
Year ended December 31, 1996	$ 2,800	$ 9,091	$ (624)	$ (7,001)	$ 4,266

(1) Represents market acquisitions and dispositions, late fees and net fraud credits given to customers.
(2) Write-offs, net of bad debt recovery.

WESTERN WIRELESS CORPORATION

GNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly causes this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: 3/31/99

WESTERN WIRELESS CORPORATION

By /s/ John W. Stanton
John W. Stanton
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signatures	Title	
/s/ John W. Stanton John W. Stanton	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	Date: 3/31/99
's/ Donald Guthrie onald Guthrie	Vice Chairman and Chief Financial Officer (Principal Financial Officer)	Date: 3/31/99
/s/ Patricia L. Miller Patricia L. Miller	Controller (Principal Accounting Officer)	Date: 3/31/99
/s/ John L. Bunce Jr. John L. Bunce, Jr.	Director	Date: 3/31/99
/s/ Mitchell R. Cohen Mitchell R. Cohen	Director	Date: 3/31/99
/s/ Daniel J. Evans Daniel J. Evans	Director	Date: 3/31/99
/s/ Jonathan M. Nelson Jonathan M. Nelson	Director	Date: 3/31/99
/s/ Terence O'Toole Terence O'Toole	Director	Date: 3/31/99

CERTIFICATE OF SERVICE

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