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1. INTRODUCTION

Good morning. It's good to be here with you today to talk about U.S. Cellular. I'd like to thank Jonathan Atkin and his team at RBC Capital Markets for giving us the opportunity to participate in the conference and speak with you today.

With me today is Mark Steinkrauss, Vice President – Corporate Relations at TDS. Mark is responsible for the Investor Relations functions for both U.S. Cellular and TDS. We will both be happy to answer any questions you may have after the prepared remarks.

We reported our second quarter operating results last week. Since many of you have already seen our results and were probably on the conference call, we have chosen not to present them in this presentation but we would be happy to answer any questions that you may have about them during the Q&A period.

2. SAFE HARBOR

We will be discussing forward-looking information, so please review these Safe Harbor provisions, which are also available on our web site, along with the slides and web cast portion of today's presentation.

3. U.S. CELLULAR

U.S. Cellular is the seventh largest wireless provider in the U.S., serving 5.2 million customers in 25 states. We deliver our voice and data services over a high quality CDMA 1X network.

4. MAP

We characterize U.S. Cellular as a super regional carrier with four main operating regions in the U.S. Our largest and most contiguous region is the Midwest, followed by New England, the Mid-Atlantic area and the Northwest. As a regional carrier we are able to address the needs of most market segments including the consumer segment and small and regional business segments.

5. U.S. CELLULAR STRATEGY

U.S. Cellular's strategy consists of four basic components. First, as I noted earlier, we've positioned U.S. Cellular as a regional carrier, with particular emphasis on our Midwest markets, which account for more than 60% of our customers.

Second, we differentiate from the competition by providing an exceptional experience for our customers, whether in the form of the high caliber of service our associates deliver, our high-quality, reliable network, or the competitively priced calling plans and products we offer through our broad distribution system. Our aim is a totally satisfied customer every time.

Third, we offer customers service on our upgraded CDMA 1X network technology, now in place in all of our markets.

And fourth, we are focused on strengthening our footprint, building on our existing markets and exiting those that do not complement our regional focus.

6. STRENGTHENING FOOTPRINT

As this map shows we have made great strides in strengthening our footprint over the last couple of years. We have improved our competitive position in the Midwest and Northeast markets while at the same time exiting markets that are not strategic to us. The red on the map represents the markets that we have acquired, or have the right to acquire, while the orange represents the markets that we have divested. In 2004 we launched three new markets: Oklahoma City, Oklahoma; Lincoln, Nebraska; and Portland Maine.

7. ST. LOUIS UPDATE

And, last week we launched retail service in St. Louis. St. Louis is a very large market for us with 2.9 million pops. We feel strongly that, as a new arrival in St. Louis, it is incumbent on us to launch market operations in the best possible manner and make sure we get it right the first time and that is why St. Louis is the only market that we are launching this year.

We worked very hard to build an excellent network with nearly 300 cell sites. We know we have a good network because a well respected, independent third party performed a drive test and U.S. Cellular tied for first place. Just think, we built a top notch network that matches a well-respected rival carrier who has been in that market for years.

Along with the network we designed a strong retail distribution network that makes it easy for the customers to get to us.

And finally, we worked very hard to ensure that we have well trained associates. One of the things we have learned from prior launches is the importance of people and their ability to take care of the customers on day one. As a result, we not only hire and train new associates, but we also transfer experienced associates from other markets to support the launch efforts allowing us to place seasoned U.S. Cellular sales and service leaders into the market from the start of the operations, allowing us to deliver on our brand promise right from the outset.

By the way, the network for St. Louis has been up and running for roaming purposes since fourth quarter 2004, allowing us to reduce roaming expenses since that time.

8. CHURN RATE

As I said earlier, our strategy at U.S. Cellular revolves around customer satisfaction. We want our customers to stay with us because it costs more to add new customers than to retain the ones we already have. Additionally, satisfied customers are the best source for referrals and sales of additional services.

This strategy is proving to be successful as our customer satisfaction surveys and churn rate testifies. Churn has been low and steady for many years and it remained low with a 1.4% postpay and 1.6% all-in churn rate in the second quarter of this year.

9. CONSUMERS UNION ANALYSIS

In recent data from the FCC, U. S. Cellular had the fewest number of complaints per million customers of any customer in the industry. We are proud of this performance but have no intention of resting on our laurels and will maintain our focus on a satisfied customer every time.

10. CDMA 1X INITIATIVE

Complementing our enhanced footprint is our CDMA 1X technology, which we now have in

all of our markets, having completed a three-year upgrade project last year. CDMA 1X benefits both customers and the company in the form of improved call quality, network coverage, data capabilities and voice capacity. With CDMA 1X we are also well positioned to upgrade our networks to future technologies such as EVDO once we are convinced of the return potential.

11. DATA - easyedgeSM

Our upgraded network enables us to support our **easyedge** suite of data services in all of our markets. **easyedge** consists of two main services – phone download applications and picture messaging. We also offer our business customers a wireless modem service under the **easyedge** brand of data services.

Our data services are doing very well, with customer uptake above our expectations. Data represented over 2.5% of total service revenue, or \$67M, for all of 2004. For the second quarter just ended, data revenues were \$31 million or 4.5 percent of service revenue representing growth of over 100% from the second quarter of 2004. We continue to see strong growth in both our short messaging service product and our **easyedge** services.

We expect growth to continue as more and more customers become familiar with the concept and increase their usage, and as we continue to enhance our **easyedge** services. Last year we added **nweb**, a feature that allows Internet browsing, to our download applications service. In March, we added AOL® Instant Messenger™, a feature we expect to be very popular with **easyedge** customers.

12. NEW OFFERINGS

We also implemented intercarrier delivery of picture messaging services with our largest roaming partner, improving the value of this service to our customers.

We launched our walkie-talkie style service in July. SpeedTalkSM is U.S. Cellular's first "press-to-talk" product and operates over the company's highly regarded digital network. This service is marketed to retail and business customers in service packages that offer both traditional voice service and "push to talk" calling. Initial customer reactions have been quite positive.

Further we plan to continue enhancing our service offerings this year and beyond – we expect to enable "data roaming" over the next several months so customers can access data services when outside of U.S. Cellular's service areas.

13. EVDO TRIALS

Looking to the future, we are currently conducting trials for EVDO, the advanced wireless technology that provides data connections at broadband speeds.

Our strategy for any new technology is to assess it on several levels. First, we want to make sure it is a platform that provides services and applications that our customers want and value – and that the applications meet our quality standards. Then, once we're satisfied on that level, we make sure that we can fully support the new technology and applications on all levels.

At this point, we're evaluating EVDO from a business standpoint. The technical trials we have run over the last year in limited areas have been successful. The current questions revolve around EVDO services for our customers and potential returns on any large-scale investments. Our current plans are to perform service trials launching EVDO in a market

utilizing Release 0 within the next year. Any widespread deployment will depend on the results of these tests and the availability of EVDO Release A which should be available in late 2006 or early 2007. Release A offers higher speeds particularly on the uplink side.

14. GUIDANCE

When we reported results last week we revised our 2005 guidance. We have maintained our full year retail net additions guidance of 475,000 TO 525,000 and operating cash flow guidance of \$710 TO \$750 million. We have reduced our service revenue guidance from \$2.9 billion to approximately \$2.8 billion. And lastly we tightened the range of our CAPX guidance to \$575 to \$595 million from \$570 to \$610 million.

15. USM: EXCELLENT PROSPECTS

We are excited about U.S. Cellular's prospects. Our plans for 2005 are to continue to operate our model which focuses on the customer and drives excellence of execution. And, we are very focused on being successful in St. Louis. In fact, we plan no meaningful market launches over the next 18 months so that we can ensure the success of the St. Louis market as well as the three markets we launched in 2004.

Key goals for this year are to continue to enhance our data services and to profitably grow in our markets.

We have a proven strategy in place, a strategy based on satisfying the customer in order to drive long-term profitable growth. Furthermore, we're delivering on that strategy, as our solid results attest. We're sound financially and we have very capable, committed associates. We see that as a winning combination.

And now we would be willing to answer any questions you may have.