

JOHN E. ROONEY
LEROY T. CARLSON
RAYMOND JAMES 26TH ANNUAL INSTITUTIONAL INVESTORS CONFERENCE
MARCH 9, 2005 – 7:30 A.M.-8:00 A.M. E.T.
Orlando, FL

J. ROONEY

1. INTRO

Good morning. It's good to be here with you today, and I'd like to thank Ric Prentiss and Frank Louthan for giving us the opportunity to speak with you about U.S. Cellular and TDS.

Presenting with me today is Ted Carlson, president and CEO of TDS, which is the majority owner of U.S. Cellular. Also with us are Sandy Helton, EVP and CFO of TDS, Ken Meyers, EVP and CFO of U.S. Cellular, and Mark Steinkrauss, who manages Investor Relations for both companies. They will be on hand for the Q&A session that follows our presentation, as well as for the breakout sessions afterward.

2. SAFE HARBOR

We will be discussing forward-looking information, so please review these Safe Harbor provisions, which are also available on our web sites, along with the slides and webcast of the presentation.

I will begin today with an overview of U.S. Cellular, after which Ted will discuss TDS's wireline operations and corporate matters. We will then take your questions.

3. U.S. CELLULAR

U.S. Cellular is the seventh largest wireless provider in the U.S., serving 4.9 million customers in 25 states, primarily on our recently upgraded 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.

5. CHURN RATE

Our strategy at U.S. Cellular is all about customer satisfaction. We want our customers to stay with us because it costs a lot more to add new customers than to keep the ones we already have. And our strategy is successful, as our low churn rate testifies. It's been low and steady for seven years, and it remains low, despite the introduction of wireless number portability and a continued high level of competition in the wireless sector.

6. U.S. CELLULAR STRATEGY

Our strategy consists of four basic components.

First, we've positioned U.S. Cellular as a **super-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 various 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 necessarily complement our regional focus.

7. 2004 FINANCIAL HIGHLIGHTS

Before discussing the progress we've made on our strategy, I'd like to first briefly highlight our results for 2004. It was a great year for U.S. Cellular as you can see. We added a record 627,000 net new customers during the year, up 40 percent over 2003. This drove a 9 percent increase in service revenues for the year, despite two divestitures of operating markets. Earnings before interest, tax depreciation amortization and accretion were \$665 million, up 3 percent year over year, after incurring costs to launch three new markets. A solid year which we plan to improve upon in 2005.

8. STRENGTHENING THE FOOTPRINT

And those results are related to the significant progress we've made on our strategy, which we've had in place for the last several years. I'll briefly highlight our achievements, beginning with the footprint component of our strategy.

9. AWE PROPERTY EXCHANGE

As many of you may know, we purchased the Chicago market in 2002. It's a perfect fit for us with our strong presence in the Midwest, and it is doing nicely. Then, in 2003 we traded several markets with AT&T Wireless, now Cingular – exchanging our northern Florida and Georgia markets for unbuilt wireless licenses in seven states that are either next to or overlapping our existing markets.

We completed the build-out and launch of three of those markets last year -- Oklahoma City, Lincoln, Nebraska, and Portland, Maine – and each is doing well. We're now building out the St. Louis market, where we and plan to launch commercial service later this year. We already have roughly 200 new cell sites up and running, enabling us to serve U.S. Cellular customers traveling in the area.

In addition to these markets, we also launched service in eight other markets in 2003 – all in the Midwest – further strengthening our footprint there. Furthermore, we have signed an agreement with Cingular to purchase a market next to our Joplin, Missouri market. This new market was part of the divestiture related to their merger with AT&T Wireless. We expect the transaction to close in the first half of the year.

10. DIVESTITURES

We've also divested markets that were no longer strategic to us, deploying the funds from the sales to areas with better long-term returns. These include the markets exchanged with AT&T Wireless, as well as South Texas, our other Florida markets and a small market in Ohio.

11. TRANSACTION SUMMARY MAP

This map illustrates these various transactions, showing how we've built on our existing footprint and shed properties no longer strategic for the company.

12. AUCTION 58

On a more recent note, one of our limited partners, Carroll Wireless, participated in the FCC's Auction 58 in February, and was the successful bidder for 17 licenses. The 17 licensed areas cover portions of 10 states and are in markets which are either

adjacent to or overlap current U.S. Cellular markets. However, there are very strict anticollusion rules in effect through the close of business today and I can make no additional statements about the auction. We did file an SEC form 8-K on the matter, which I encourage you to read.

13. CDMA 1X INITIATIVE

Complementing our enhanced footprint is the fact that we now have CDMA 1X technology 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 quality, coverage and voice capacity.

14. EVDO TRIALS

Looking to the future, we are currently conducting technical 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 have been successful. The current questions revolve around potential returns on any large-scale investments. Our current plans are to test this during 2005, with any widespread deployment waiting at least until EVDO Release A, due next year.

15. DATA - easyedgeSM

The upgraded network enables us to support our **easyedge** suite of data services in all of our markets. **easyedge** consists of two main services – 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 for 2004, or \$67M.

We expect this 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. We are currently working on instant messaging and expect to work on intercarrier picture messaging before year-end.

16. SERVICE ENHANCEMENTS IN 2005

While we continue to enhance our **easyedge** services this year, we also plan to launch smart phone service, which will enable customers to exchange emails, later this year. We are working to introduce a push-to-talk service this year as well.

17. FINANCING ACTIVITIES

The ultimate aim of our focus on customer satisfaction is growing the company profitably. Our launch of several new markets over the last two years means that we are still in the growth mode. However, we take the commitment to growing the company profitably very seriously, and are working diligently to achieve it.

We are also committed to maintaining a strong balance sheet and ample liquidity. Toward that aim, we have completed several financing activities over the last year or

so. These have enabled us to reduce potential dilution, simplify the balance sheet and lengthen maturity schedules.

18. 2005 OUTLOOK – U.S. CELLULAR

Moving to our outlook for 2005, we announced full-year guidance on our fourth-quarter call in February. Important to note is that our guidance does not include the effect of St. Louis, with the exception of our capital expenditure guidance. We did not include St. Louis because a great deal depends on when we actually launch service in the market, as the guidance is inter-related. We will provide updates as the launch timeline becomes more certain.

19. USM: EXCELLENT PROSPECTS

In closing, we are excited about U.S. Cellular's prospects going forward. 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 strong results of the past few quarters attest. We're sound financially and we have very capable, committed associates. We see that as a winning combination.

And now I'll turn the floor over to Ted. Ted...

L. CARLSON

20. LEROY T. CARLSON SLIDE

Good morning everyone, and I'd like to reiterate our thanks to Ric Prentiss and Frank Louthan. It's a pleasure to be with you today.

21. TDS OVERVIEW

You've heard from Jack about U.S. Cellular, which is TDS's wireless operation and which represented 76% of our consolidated revenues in 2004. Today I'll be discussing TDS Telecom, TDS's wholly-owned wireline operation.

22. TDS TELECOM MAP

TDS Telecom has both ILEC and CLEC operations.

23. TDS TELECOM - ILEC

The ILEC operations represent the seventh largest independent telecommunications company in the U.S., with 72 percent of customers in rural markets and the remainder in suburban areas.

24. TDS TELECOM - CLEC

TDS Telecom's CLEC operations are in five states in the Midwest. The CLEC primarily uses its own switches, which allows it to offer differentiated products. It also provisions mainly from one Regional Bell Operating Company, or RBOC, considerably expediting the provisioning process.

The CLEC's facilities-based model has proven very sound, and positions the CLEC better than many others in light of the FCC's recent ruling regarding network access for CLECs. However, TDS Telecom's CLEC operations are not totally immune to the impact of the ruling, which considerably changes the competitive stance outlined in the 1996 Telecommunications Act. In response, TDS Telecom's CLEC is targeting certain market segments over others, which should benefit its cost performance as well.

25. 2004 FINANCIAL HIGHLIGHTS

Before discussing TDS Telecom's overall strategy, I'd first like to highlight the 2004 operating results. Both the ILEC and CLEC continued to drive revenue growth in 2004. We were also pleased that, in an environment characterized by declining equivalent access-line growth, the ILEC's equivalent access lines grew

1 percent. Of note as well is that residential primary access lines at the ILEC remained level, also positive performance in light of the overall industry trend of declining access lines.

26. TDS TELECOM – OVERALL STRATEGY

Moving to TDS Telecom's strategy, like U.S. Cellular's, its focus is on providing outstanding customer satisfaction. Meeting the communications needs and desires of its customers today – and in the future – are at the heart of its strategy.

That's why one of the main thrusts at TDS Telecom today is positioning the company as the preferred broadband provider in its markets. We firmly believe that high-speed data is the differentiator for wireline, and therefore the way of the future for the wireline segment of the industry.

27. OUR COMPETITIVE ADVANTAGE – CUSTOMER SATISFACTION

And TDS Telecom has a competitive advantage in its reputation for excellence and customer satisfaction. Customers know from their experience with the company that they can trust TDS Telecom to provide services they need and value – and that meet their communication needs. Respected third-party surveys substantiate this as well.

28. FORTIFYING AND DEVELOPING EXISTING MARKETS

Given the changing nature of the wireline environment, which is characterized by increasing competition and new technologies, it is more important than ever for wireline companies to be able provide the services consumers want. That is one of the reasons TDS Telecom has been conducting several trials to determine how best to address and leverage the changing face of fixed communications.

A major focus of the trials is FTTP, or fiber to the premise. FTTP is particularly important to TDS Telecom, as its deployment will enable the company to offer customers a robust triple-play service of voice, data and video over its own network. This would complement TDS Telecom's current triple-play option, which is offered in partnership with EchoStar, a direct broadcast satellite provider, which supplies the video portion of the offering.

The company launched FTTP technical trials last year through initial deployments in three markets, using either a complete fiber build-out or a combination of FTTP and advanced DSL. The trial variations address the need to determine the most effective use of the technologies given the varying geographic make up of TDS Telecom's markets, as well as customer needs. Depending on the trial results, TDS Telecom plans to begin offering triple-play service in the trial markets later this year.

TDS Telecom expects to use FTTP as the technology of choice for new subdivisions. The cost to install fiber for new construction is approximately 20 percent more than for traditional copper lines – a moderate cost compared to the opportunities FTTP provides – and the economics are improving with the RBOCs' adoption of passive optical network standards.

The company is also considering how best to deploy Voice Over IP, or Internet telephony. One possibility is to deploy the technology to markets outside of TDS Telecom's traditional geographic serving areas – an example of a build-out strategy using new technology. TDS Telecom is conducting several technical trials for VoIP to determine how to best utilize this new technology. It's also working to develop a hosted VoIP service offering targeted at commercial customers as a substitution for Centrex or other traditional business

telecommunication systems.

TDS Telecom is also considering offering VoIP in combination with fixed-wireless data services. The company is currently trialing wireless high-speed data at a few sites in Wisconsin, and is planning to launch VoIP trials this year.

Another important aspect of TDS Telecom's strategy is enhancing existing services, with the goal of increasing their penetration and profitability levels. One way the company is doing this is by offering customers the ability to customize the services they receive through bundling options. For example, TDS Telecom offer a product called "Total Talk" in 26 of the 28 states in which it operates. Total Talk is a one-price service alternative built around large-minute long distance plans with the ability to bundle 3 to 4 ancillary services. Initial acceptance has been good to date for this service.

29. DSL FACTS - ILEC

DSL is another very successful service for TDS Telecom. Although DSL is a lower-margin business at this point in its life cycle, it is proving very successful for the company, with strong and growing demand for the service.

Furthermore, DSL is a powerful tool for addressing competition from cable carriers. We were very pleased when the DSL market share for the ILEC markets surpassed that of the cable companies at the end of last year. This milestone, which is based on perception surveys TDS Telecom conducts with customers, shows that the company is succeeding in its goal to be the preferred broadband provider.

An additional growth driver for TDS Telecom is long distance. The company continues to work for greater penetration of the long-distance market through effective cross-selling and by offering big-minute plans. At the end of the year, residential penetration for the service was 49.5%, and we expect that percentage to continue to grow.

30. 2005 OUTLOOK – TDS TELECOM

In terms of our outlook for TDS Telecom for 2005, we announced full-year guidance for the ILEC and CLEC on February 9th, as is presented here. Typically, if there are any changes to guidance, we make those changes known on our quarterly calls.

31. TDS – SPECIAL SHARE PROPOSAL

Moving to TDS... Last month, the TDS board of directors unanimously approved a proposal to increase the number of authorized special common shares of TDS stock as well as to issue a special stock dividend of the special shares. Increasing the special shares would provide TDS greater strategic and financial flexibility, and it would also make for a more flexible capital structure. If TDS shareholders approve the proposal at a special meeting in April, it is TDS's intention at some point in the future to offer some of the additional special common shares to acquire the remaining 18 percent of U.S. Cellular stock TDS does not currently own. This would of course be dependent on market conditions, and we do not foresee the transaction having any effect on U.S. Cellular's operations.

32. TDS – FINANCIAL STRATEGIES

As you heard from Jack, we place a great deal of emphasis at TDS on profitable growth for all of our businesses. Our ultimate aim is to generate profitable growth and build shareholder value, while at the same time maintaining financial

strength and liquidity. We have four financial objectives in support of these aims, and are committed to meeting them over the long term. The objectives are noted on this slide and have not changed substantially over the last several years.

33. TDS: EXCELLENT PROSPECTS

In summary, we believe TDS is very well positioned. We're focused on profitable growth and use a disciplined financial approach to development. We have a strong balance sheet. We have targeted and effective strategies. And we have excellent employees and management teams in place at our business units that deliver on those strategies.

Before taking your questions, I will conclude by saying that we expect the positive momentum we generated in 2004 to continue this year, and we look forward to another good year for the company. And because many of you are not aware of our large holdings in Deutsche Telekom and Vodafone, I'll mention that we are anticipating a significant increase this year in the dividend income we receive from those holdings – it's something to look forward to! And with that positive note, Jack and I will now be happy to take your questions.