

JOHN E. ROONEY
KENNETH R. MEYERS
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SLIDE 1	INTRODUCTION <p>Good morning. It's a pleasure to be here with you today, I'd like to thank Blake Bath and Tom Seitz for giving us the opportunity to discuss U.S. Cellular with you.</p> <p>Also with me today is Ken Meyers, Executive Vice President – Finance and CFO at U.S. Cellular and Julie Mathews, Manager of Investor Relations at TDS. As most of you know, TDS is the majority owner of U.S. Cellular. Ken and I would be happy to answer any questions you may have after my comments, time permitting, and in the breakout session to follow.</p>
SLIDE 2	SAFE HARBOR <p>I'll remind everyone at this point that we will be discussing some forward-looking information today, so please review these Safe Harbor provisions as well as our filings with the SEC.</p>
SLIDE 3	U.S. CELLULAR MAP <p>U.S. Cellular is the eighth largest wireless provider in the U.S., serving nearly 4.5 million customers in 26 states. This map shows U.S. Cellular's footprint today. Our largest presence is in the Midwest though we also have smaller operations in New England, the mid-Atlantic area and the Northwest.</p>
SLIDE 4	U.S. CELLULAR OVERVIEW <p>Our strategy at U.S. Cellular is designed to deliver a higher level of customer satisfaction. It's a successful strategy, as evidenced by our low churn rate – once with us, customers tend to stay with U.S. Cellular. And that's good, because the cost of adding a new customer is greater than keeping an existing one. It takes dedicated people, a high quality network and broad distribution to achieve that result but it pays off big time.</p>
SLIDE 5	POSTPAY CHURN <p>Our strategy of satisfying customers is evidenced by our low churn rates. Our churn rate has been – and continues to be – one of the lowest in the industry, despite increasing levels of competition and the introduction of wireless number portability late last year. This slide, which shows post pay churn on an annual basis since 1998, says it all. Keep in mind that U.S. Cellular is 97% post pay, meaning customers on contract.</p> <p>And, first quarter of 2004 was even more impressive at 1.3%!</p>
SLIDE 6	U.S. CELLULAR STRATEGY <p>U.S. Cellular's strategy consists of four basic components.</p> <p>First, we've positioned U.S. Cellular as a regional carrier focused on profitable growth, with particular emphasis on our Midwest markets.</p> <p>Second, we differentiate from the competition with exceptional customer service, 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 a broad distribution system.</p>

	<p>Our network at U.S. Cellular consists of 4,100 cell sites, more than 500 of which we added in 2003. We regularly assess the competitiveness of our network through third-party tests that focus on key metrics such as blocked or dropped calls, overall network availability and coverage superiority. We're proud of our consistent ranking within the top three providers in terms of network service, but we don't rest on our laurels. We continuously improve the network, because we know that customers continue to expect more and more from their wireless network. Our strategy is based on being the best at meeting the customers' rising expectations.</p> <p>Just as with our network, our distribution strategy is broad-based, with 2,300 outlets conveniently located for customers. A strong dealer network has both exclusive and non-exclusive dealers, and over the last several years, we have aggressively grown and strengthened our exclusive-dealer channel. Exclusive dealer outlets – which look to customers like U.S. Cellular outlets – offer our excellent service as well as our programmed phones and ancillary products. The success of the exclusive dealer outlet was very evident in the Chicago market in 2003, as 85% of dealer gross adds came from our exclusive dealer channel.</p> <p>Dedicated people are the key to our execution of the customer focused strategy. We carefully select then thoroughly train associates before they get to talk to customers.</p> <p>The third component of our strategy is our initiative to upgrade the network technology to CDMA1X in all of our markets. Ken will be discussing this effort in more detail shortly.</p> <p>And fourth, we are focused on strengthening our footprint, building on existing markets and exiting those that do not necessarily complement our regional focus.</p>
SLIDE 7	STRENGTHENING THE FOOTPRINT
	<p>Several of our recent transactions show this component of our strategy in action. The three transactions highlighted on the slide are all excellent examples – the divestiture of our south Texas markets in the first quarter, the exchange of wireless assets last year with AT&T Wireless, and the acquisition of the Chicago market in 2002.</p>
SLIDE 8	SALE OF SOUTH TEXAS
	<p>Our sale in February of our South Texas markets to AT&T Wireless demonstrates our stated strategy of exiting markets that are not strategic to the company's long-term success. South Texas was a smaller market and it was not contiguous to any of our other, more well-established markets. We've used the \$97 million in proceeds from the transaction to pay down debt as well as for other corporate purposes, such as helping fund the build-out of Oklahoma City, Portland, Maine and Lincoln Nebraska – all of which should be launched by the end of the third quarter.</p>
SLIDE 9	USM & AWE PROPERTY EXCHANGE
	<p>The exchange of properties with AT&T Wireless closed in August of last year. We exchanged properties in Northern Florida and Georgia for wireless licenses in seven states that are either adjacent or overlapping our existing markets.</p>
SLIDE 10	MAP: 2004 FOOTPRINT AND MARKET BUILDOUT

	<p>On this map our existing operations are noted in blue. The properties in orange represent the properties we divested in South Texas, Florida and Georgia. The red areas on this map are the AWE assets that we have received or will be receiving. Currently we are building out three markets from the AWE exchange which include Oklahoma City, Lincoln, Nebraska and Portland Maine. We hope to have all three of these markets in operation by the end of our third quarter. We're also building out some of the Missouri markets which we plan to launch in 2005.</p> <p>The build-outs require a great deal of work on the part of many teams within the company. Our engineering team, for example, is overseeing the construction of new cell sites in the new markets to ensure the high caliber of network coverage our customers expect.</p>
SLIDE 11	CHICAGO UPDATE
	<p>Moving to Chicago, we acquired the Chicago market in August 2002. As you can see from the maps we've shown, Chicago is an excellent fit for us, solidifying our footprint in the Midwest. How could we have said that we were a Midwest regional carrier and not have Chicago? Obtaining Chicago was like filling the whole in the middle of a doughnut. Plus, I ran the Chicago market at my former employer and I can tell you that I know the Chicago market.</p> <p>While we don't break out individual market results, I can tell you that we have done an excellent job building brand awareness for the Chicago market. In fact, awareness surveys show that U.S. Cellular has achieved name awareness levels in Chicago in just one year that are almost equal to markets where the company has been operating for 10 years.</p> <p>In addition, we've gained market share and growth in our customer base since launching service in Chicago, a trend we hope to continue this year. Helping support our market efforts in Chicago is the enhancement we've made to both our wireless and distribution network in the city.</p> <p>Also, since we started Chicago, we have seen a major shift to on-contract with a consequent drop in churn rates as well as bad debt expense.</p> <p>As you know, U.S. Cellular does offer a prepay product, we call our prepay product TalkTracker. We use it as just one more product offering for our customers and to ensure that we have a presence in the prepay market. For instance, parents will purchase the prepay product for their children. Recently this prepay product has had a strong take rate in Chicago. It is a profitable product for U.S. Cellular and we view it as just one more tool in our arsenal to attract customers.</p>
SLIDE 12	U. S. CELLULAR STRATEGY
	<p>To sum up, U.S. Cellular is regional carrier that differentiates itself on customer service. Over the last couple of years we have worked very hard to improve our footprint such as divesting those markets – Florida, Georgia and Texas - which were not strategic to the company. And we obtained licenses for properties that are contiguous to our markets and will make us a much stronger company.</p> <p>We have a strong bullet-proof network demonstrated by our third party testing results. We have a broad distribution network with over 2300 locations so that it is convenient for our customers and potential customers to find a U.S. Cellular</p>

	<p>store.</p> <p>And we know our strategy works evidenced by a 1.3% churn rate in the first quarter.</p> <p>I would now like to turn the presentation over to Ken Meyers, Ken....</p>
SLIDE 13	KEN MEYERS
SLIDE 14	1ST QTR 2004
	<p>Good morning, it is a pleasure to be here today and I also want to thank Lehman Brothers for inviting us to speak to you today.</p> <p>We had a strong first quarter. Our postpay churn rate for the first quarter was 1.3% - the lowest in our history of tracking churn and among the very best in the industry. Our low churn helped our net customer addition performance during the quarter as well – our net adds were up 43% over the first quarter of 2003, and this was despite the divestiture of our Northern Florida, Georgia and South Texas markets.</p> <p>A good retail environment, great retention and slightly improving ARPU drove a 10% increase in service revenues and a 12% increase in operating cash flow. Operating income year-over-year comparability is skewed since we had a \$21.6 million loss the first quarter of 2003 on assets held for sale related to the AT&T Wireless trade of the North Florida and Georgia markets.</p> <p>The number of cell sites are up year-over-year, despite the South Texas and Florida /Georgia divestitures, as we continue to drive for network quality as well as the growth in customers and minutes of use.</p>
SLIDE 15	Easyedge
	<p>One of our goals last year was to introduce data-services products that would be well received. And last September we launched easyedge - our data product.</p> <p>easyedge consists of three services – download applications, picture messaging, which we just introduced in March, and wireless modem service for our business customers. easyedge is now available in all of our CDMA 1X markets, which represent about 80% of our serviced population.</p> <p>We were not the first wireless provider to launch a data product and this was intentional on our part. We use a fast-follower approach – we want to offer products that customers want – and we want to ensure that we get the service and all the back-office support systems it requires – right from the very start. And in the case of wireless data services, our goal is to provide customers with clear, understandable products and services. We believe that’s the key to success.</p> <p>Our philosophy has served us well. We have had very positive reaction to the easyedge products from customers to date.</p> <p>Downloads are running at twice the level we anticipated. And, a surprising percentage of customers have opted for the high-end \$10.95 virtually unlimited plan vs. the \$5.95, or pay-as-you-go plans.</p> <p>Our combined short-message service and easyedge services contributed \$11</p>

	<p>million to our service revenues in the first quarter, or 2% of total service revenue. This compares to revenues of \$2 million generated by SMS alone in first quarter of 2003. Going forward our business plan projects strong growth in data.</p> <p>We're excited about further prospects in the data-services arena, particularly with the launch in March of our easyedge picture messaging service. MMS, which is the industry acronym for this service, allows a U.S. Cellular customer to send photos or images to an e-mail site or another U.S. Cellular MMS user. We've had very positive customer reaction to this service to date.</p>
SLIDE 16	CDMA PROGRESS
	<p>Obviously, we could not have launched the data without a network that supports it. That's one reason why we undertook a three-year initiative in 2002 to upgrade our network to CDMA 1X. The technology benefits both customers and the company in the form of improved voice capacity, quality and coverage.</p> <p>The build-out has gone extremely well. We've completed the upgrade in most of our markets, and are targeting those markets not yet upgraded in the Northwest and mid-Atlantic states for conversion this year.</p> <p>We expect to complete the upgrade this year, and anticipate spending approximately \$30 to \$35 million on the upgrade in 2004 of which we spent \$10 million already in the first quarter. Combined with the \$265 million we spent in 2002 and 2003, that brings the total spend for the upgrade to no more than \$300 million, below plan, in part, due to attractive equipment prices.</p>
SLIDE 17	WNP
	<p>Well, yesterday was the date that the remaining markets in the U.S. became eligible for WNP. I am proud to say that our systems continue to work well and things look very positive for us.</p> <p>We were well prepared for WNP. We spent about \$50 million over two years to ensure that our infrastructure supported number portability and that our associates were well trained in managing the many logistics involved in WNP. That we were ready and on time served us well.</p> <p>We had no significant issues when WNP went into effect last November for the major metropolitan areas. Our systems performed well, and our on-going focus or customer satisfaction is paying off. So far, we have been a net recipient of portability requests.</p> <p>So far we haven't seen much of an effect on business from WNP but we will be watching it carefully, as you would expect. If history repeats itself, we should continue to be a winner with WNP.</p>
SLIDE 18	USM 2004 OUTLOOK
	<p>I'll move now to our 2004 guidance, which incorporates the build-out and launch of the three new markets I mentioned previously – Oklahoma City, Lincoln, Nebraska and Portland, Maine – as well as capital spending only for the Missouri markets, which we anticipate launching in 2005.</p> <p>In terms of the guidance targets, we recently increased our service revenue guidance for the year by \$50 million to \$2.55 billion as a result of the very positive net add and data-service revenue performance we had in the first quarter. Given the strength of our net add performance in the quarter, we also increased our net</p>

	<p>add guidance from a range of 325,000 to 350,000 to a range of 475,000 to 500,000.</p> <p>Our other guidance targets remain unchanged. We expect operating income to range between \$160 and \$210 million, with depreciation and amortization of approximately \$480 million. Capital expenditure guidance, which <i>does</i> include spending for the market build-outs, is expected to be between \$610 to \$630 million for the year.</p>
SLIDE 19	RECENT ACCOMPLISHMENTS
	<p>To sum up, U.S. Cellular has been very busy. These are only a recap of our accomplishments in 2003 and the recent months – and they all tie to our strategy of providing exceptional customer satisfaction while at the same time focusing on growing the company profitably.</p> <p>Additionally, we plan to maintain a strong balance sheet and ample liquidity. On May 14 we issued a release noting our intent to file for a \$500 million senior debt shelf registration with the SEC. Proceeds from any sale may be used for any general corporate purposes to include the replacement of long-term debt. Since we didn't have a shelf in place we felt it was necessary to have one to ensure flexibility for the company.</p>
SLIDE 20	USM EXCELLENT PROSPECTS
	<p>In summary, we are excited about our prospects in 2004 and going forward, having just completed an outstanding quarter of operating performance. We have a proven strategy in place, a strategy based on satisfying the customer while at the same time focused on profitable growth. Furthermore, we're delivering on our strategy, as our positive results attest. We've successfully weathered challenges within the industry in part due to our focus on profitable growth and long-term value creation. We're strong financially and we have very capable, committed associates. We see that as a winning combination.</p> <p>And with that, Jack or I would be happy to answer any questions you may have.</p>
SLIDE 21	RECONCILIATION OF ADDITIONAL DISCLOSURES
SLIDE 22	TITLE SLIDE (END)