

KEN MEYERS
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Chicago, IL

SLIDE 1	TITLE SLIDE (INTRO)
	<p>Good morning. It's a pleasure to be here with you today, in U.S. Cellular's hometown city. I'd like to thank Will Power, Sarah Litton and their team at Baird for giving us the opportunity to discuss U.S. Cellular with you.</p> <p>Also with me today is Mark Steinkrauss, vice president of Corporate Relations at TDS. Mark manages investor relations for us as well as for TDS, the majority owner of U.S. Cellular. Mark 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> <p>Ted Carlson, president and CEO of TDS, is also at the conference today and will be presenting on TDS and the wireline side of the company immediately following my presentation.</p>
SLIDE 2	SAFE HARBOR
	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.
SLIDE 3	U.S. CELLULAR MAP
	U.S. Cellular is the eighth largest wireless provider in the U.S., serving nearly 4.5 million customers in 28 states. This map shows U.S. Cellular's footprint today.
SLIDE 4	U.S. CELLULAR OVERVIEW
	Our strategy at U.S. Cellular revolves around satisfying customers. 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.
SLIDE 5	POSTPAY CHURN
	Our churn rate has been – and continues to be – low as well as steady, despite 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. This is admirable performance – and we're doing even better so far in 2004...
SLIDE 6	1ST QTR 2004
	<p>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</p>

	<p>Wireless trade of the North Florida and Georgia markets.</p> <p>Cell sites are up year-over-year, despite the South Texas and Florida /Georgia divestitures.</p>
SLIDE 7	RECENT ACCOMPLISHMENTS
	<p>As you can see, 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. Additionally, we plan to maintain a strong balance sheet and ample liquidity.</p>
SLIDE 8	U.S. CELLULAR STRATEGY
	<p>Our 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.</p> <p>Our network at U.S. Cellular consists of almost 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 those 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>The third component of our strategy is our initiative to upgrade the network technology to CDMA1X in all of our markets. I'll 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 9	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</p>

	wireless assets last year with AT&T Wireless, and the acquisition of the Chicago market in 2002.
SLIDE 10	SALE OF SOUTH TEXAS
	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 is a smaller market and was not contiguous to any of our other, more well-established markets.
SLIDE 11	MAP: SOUTH TEXAS SALE
	The red section on this map shows the divested markets. We've used the \$98 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 some of the markets we acquired last year as part of the asset exchange with AT&T Wireless.
SLIDE 12	USM & AWE PROPERTY EXCHANGE
	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.
SLIDE 13	MAP: AWE EXCHANGE
	<p>The red areas on the map represent the assets we received in the transaction – which were in the form of 10 MHz and 20 MHz of radio spectrum. The orange represents the properties in northern Florida and Georgia properties we divested.</p> <p>The properties we received last August were the first tranche. The properties we haven't yet received are shown in green on the map. We're taking the properties in tranches because of FCC build-out requirements on some of the markets.</p>
SLIDE 14	MAP: 2004 FOOTPRINT AND MARKET BUILDOUT
	<p>One of our major initiatives in 2004 is the build-out of several of the markets we acquired last year. We expect to begin commercial service in three of them in the third quarter of this year – Oklahoma City, Lincoln, Nebraska and Portland, Maine.</p> <p>We're also building out some of our Missouri markets, which we're planning to launch in early 2005. 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 15	CHICAGO UPDATE
	<p>Moving now to the last transaction of note, 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. The hub city of the Midwest, Chicago is a popular calling and traveling destination for many of our Midwest customers.</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 enhancements we've made to both our wireless and distribution network in the city.</p> <p>If you have time during the conference, take a walk to the Loop and visit our downtown store on LaSalle and Washington. You'll be able to experience firsthand the levels of service we pride ourselves on – and also check out our newest product offering – our easyedge brand of services. And it's too bad the White Sox are out of town, or you could take in a game at U.S. Cellular Field. We're very pleased the Sox are doing as well as we are this year! We are also very pleased with our naming rights agreement with the White Sox, which has really helped promote the U.S. Cellular name so successfully –not only in the Chicago market, but also across the entire country when the games are televised.</p>
SLIDE 16	easyedge
	<p>One of our goals last year was to introduce data-services products that would be well received. Last September we did just that, launching easyedge.</p> <p>Easyedge consists of three services – download applications, picture messaging, which we just introduced this past February, 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. This was intentional on our part. We use a fast-follower approach – we want to offer products 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. Furthermore, our combined short-message service and easyedge services contributed \$11 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.</p> <p>We're excited about further prospects in the data-services arena, particularly with the launch in February 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 17	CDMA PROGRESS
	<p>Obviously, we could not have launched the data products 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. Combined with the \$265 million we spent in 2002 and 2003, that brings the total spend for the upgrade to about \$300 million, below plan – in part due to attractive equipment prices. First-quarter spending on the upgrade totaled \$10 million.</p>
SLIDE 18	WNP
	<p>Before moving to our guidance for 2004, I'd like to briefly note the impact of wireless number portability.</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>In May of this year, WNP rolls out to the rest of the markets in the U.S. So, while we haven't seen much of an effect on business so far, we're waiting to see how the issue plays out during the year. If history repeats itself, we should continue to be a winner with WNP.</p>
SLIDE 19	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 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 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>

	And with that, I'd be happy to answer any questions you may have.
SLIDE 21	RECON. OF ADDITIONAL DISCLOSURES
SLIDE 22	TITLE SLIDE (END)