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Final

Ken:

1. INTRODUCTION:

Good afternoon. It's a pleasure to be here today, and I'd like to thank Tom Seitz of Lehman Brothers for giving us the opportunity to speak with you about U.S. Cellular and TDS.

Also presenting with me today is Sandra Helton, executive vice president and chief financial officer of TDS, the majority owner of U.S. Cellular. Mark Steinkrauss, vice president of corporate relations, who manages investor relations for both TDS and U.S. Cellular, is also here today. We will all be available to answer your questions during the Q&A portion of the presentation and at the breakout session today.

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 webcast portion of today's presentation. And please note that we will also discuss certain financial metrics that are not standard to generally accepted accounting practices, or GAAP, as the practices are often referenced. Reconciliations of non-GAAP financial measures to their GAAP counterparts are provided on the slides that follow today's remarks.

3. U.S. CELLULAR

U.S. Cellular is the seventh largest wireless provider in the U.S., serving 5.1 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 within 25 states. Our largest and most contiguous region is the Midwest, followed by New England, the Mid-Atlantic and the Northwest.

5. CHURN RATE

Our strategy at U.S. Cellular revolves around customer satisfaction. We want our customers to stay with us because it costs a lot more to add new customers than to retain the ones we already have. This strategy is proving to be successful as our churn rate testifies. It has been low and steady for seven years. And, it remains low – despite strong competition in our markets and the introduction of wireless number portability.

6. CONSUMERS UNION

A recent analysis, conducted by the Consumers Union, on FCC customer complaints about wireless carriers is another indication that our strategy is working. In an industry plagued by unhappy customers, we are very proud of the fact that U.S. Cellular had the fewest complaints of the top eight wireless carriers – a notable achievement.

7. U.S. CELLULAR STRATEGY

U.S. Cellular's 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 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.

8. FINANCIAL HIGHLIGHTS

Before discussing the progress we've made on our strategy, I'd like to briefly highlight U.S. Cellular's first quarter results. U.S. Cellular had another strong quarter, as you can see. We added 182,000 customers, 123,000 of which were retail customers. These additions brought our total of U.S. Cellular customers up to 5.1 million, which was a significant milestone. Our continued customer growth also drove an 8 percent increase in service revenues for the quarter. And adjusting for the divestiture of non-strategic markets in 2004, service revenue increased by 10 percent year-over-year. Earnings before interest, tax, depreciation, amortization and accretion were $163.5 million, up 15 percent year over year. Capital spending for the quarter was $112 million. As you can see, we started the year with a great deal of momentum, which we plan to continue throughout 2005.

9. STRENGTHENING THE FOOTPRINT

Our financial results reflect significant achievements made in implementing our strategy, which we've had in place for the last several years. Starting with the footprint component of our strategy, we can report excellent progress. U.S. Cellular 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.

10. AWE PROPERTY EXCHANGE

In 2003 we traded several markets with AT&T Wireless, now Cingular – exchanging our northern Florida and southern Georgia markets for "unbuilt" wireless licenses in seven states that are either next to or overlap 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 plan to launch commercial service in the third quarter. We already have more than 240 new cell sites up and running, enabling us to serve customers traveling in the area and reducing our outbound roaming expenses.

In addition to these markets, we also launched service in eight smaller markets in 2003 – all in the Midwest – further strengthening our footprint there. Furthermore, we purchased a market next to our Joplin, Missouri market from Cingular as part of the divestiture related to their merger with AT&T Wireless. This transaction closed on April 1st.

11. DIVESTITURES

We've also divested markets that were no longer strategic to us, deploying the proceeds 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.

12. TRANSACTION SUMMARY MAP

This map illustrates these various transactions, showing how we've strengthened our strategic footprint.

13. 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.

14. AUCTION 58 MAP
The 17 licensed areas cover portions of 11 states and represent markets which are either adjacent to or overlap current U.S. Cellular markets, which is another example of strengthening our competitive footprint. The licenses server a population of over 14 million, about half of which are incremental new pops.

15. CDMA 1X INITIATIVE
Complementing our enhanced footprint is the 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.

16. DATA - easyedge℠
The upgraded network enables us to support our **easy**edge suite of data services in all of our markets. **easy**edge consists of two main services – phone download applications and picture messaging. We also offer our business customers a wireless modem service under the **easy**edge 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. And in the first quarter of 2005, data revenues were $29 million representing over 4 percent of service revenue.

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 **easy**edge 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 **easy**edge customers.

17. SERVICE ENHANCEMENTS IN 2005
And **easy**edge enhancements will continue this year – we plan to enable "data roaming" so customers can access data services when outside of U.S. Cellular's service areas, as well as inter-carrier picture messaging. And, we plan to launch our walkie-talkie style service, more commonly known as "push to talk," in the third quarter of this year. This service will be marketed to retail and business customers as bundled service packages that offer both traditional voice service and unlimited "push to talk" calling.

18. 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 EVDO services for our customers and potential returns on any large-scale investments. Our current plans are to test EVDO during 2005 using Release 0, with any widespread deployment waiting at least until EVDO Release A, due next year. We would prefer to wait for Release A, and its improved capabilities, than deploy Release 0 now and have to modify our network twice incurring additional costs.

19. 2005 OUTLOOK – U.S. CELLULAR
Moving to our outlook for 2005, we announced updated full-year guidance on March 18. It is important to note that the updated guidance now includes the effect of launching the St. Louis market, an urban market with a population of 2.9 million.

St. Louis is the only market launched planned for this year. It is a large and competitive market, and we are only focusing on it to ensure it is launched in a timely, efficient and successful manner. We did quite well with the three market launches in 2004 and our objective now is to replicate that performance.

20. USM: EXCELLENT PROSPECTS

We are excited about U.S. Cellular's prospects. 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 Sandy to discuss TDS and its wireline business, TDS Telecom. Sandy. . .

21. TDS OVERVIEW

For those of you not familiar with TDS, we are a Fortune 500 company offering diversified telecommunications services through our wireline and wireless operations. U.S. Cellular, our wireless business unit, which Ken just discussed, is publicly traded and makes up about 76 percent of our revenue base. TDS Telecom is our wholly owned wireline business.

22. CAGR SLIDE

Over the last five years TDS's compounded annual growth rate for revenue was approximately 12% while our EBITDA growth was 6.6%. EBITDA growth lagged revenue growth due principally to U.S. Cellular's many market launches – which Ken also mentioned.

23. TDS TELECOM MAP

Moving now to an overview of TDS Telecom. TDS started as a rural ILEC with ten telephone companies in Wisconsin. Revenue in its first year of operations was $3.2 million and thirty-five years later revenues have grown to $883 million in 2004. Today, our wireline business has both ILEC and CLEC operations, which together as of March 31 served more than 1,172,000 equivalent access lines.

24. 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.

25. 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 SBC, 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 that ruling, which considerably changes the competitive stance outlined in the 1996 Telecommunications Act.

In response, TDS Telecom's CLEC is targeting more profitable customer segments which should benefit its financial performance. The CLEC will also drive for deeper penetration within its existing markets, which will allow us to more economically implement new technologies in these markets and provide more services to customers.

26. Q1 2005 FINANCIAL HIGHLIGHTS

Before discussing TDS Telecom's overall strategy, I'll highlight Telecom's results for the first quarter of this year. Both the ILEC and CLEC contributed to revenue growth. We were pleased that, in what continues to be a highly competitive environment, the ILEC's equivalent access lines grew just over 1 percent. Of particular note is the increase in both revenues and equivalent access lines at our CLEC, which is excellent given the difficult regulatory environment, as well as the keen competition we encounter in these markets.

27. TDS TELECOM – OVERALL STRATEGY

Back to TDS Telecom's strategy. Like U.S. Cellular's, TDS Telecom's 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 critical to our success in the wireline sector.

28. OUR COMPETITIVE ADVANTAGE – CUSTOMER SATISFACTION

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. Respected third-party surveys substantiate this as well, as is noted by this graph.

29. 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 to 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 capitalize on 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 – an important consideration, given the varying geographic make up and customer needs of TDS Telecom's markets. Depending on the trial results, TDS Telecom plans to begin offering triple-play service in the trial markets later this year.

TDS Telecom also expects to use FTTP as the technology of choice for new, or "greenfield," subdivisions, as they are sometimes called. 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 we expect the economics to improve over time with the RBOCs' adoption of passive optical network standards, helping to drive down equipment costs.

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 current 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 is also working to develop a hosted VoIP service offering targeted at commercial customers as a substitution for Centrex or other traditional business telecommunication systems.

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

30. DSL FACTS - ILEC

DSL is a very important service for TDS Telecom. Although DSL is a lower-margin business at this point in its life cycle, it is a critical element of our broadband strategy and it is proving very successful for the company, with strong and growing demand for the service. For example, in the first quarter, DSL subscribers grew 81 percent to 49,300.

Furthermore, DSL is a powerful tool for addressing competition from cable carriers. We were very pleased when the DSL market share in high-speed internet ILEC markets surpassed that of the cable companies at the end of last year. This milestone, which is based on the results of a third party firm, reinforced that the company is succeeding in its goal to be the preferred broadband provider. At the end of the March quarter, our ILEC's DSL service had a 54 percent share of new customers in the markets we serve.

31. LONG DISTANCE AND BUNDLING

Another growth driver for TDS Telecom is long distance. The company continues to increase long distance penetration through effective cross-selling and by offering big-minute plans. At the end of March, residential penetration for the service was 51%, and we expect that percentage to continue to grow. Further, long distance customers totaled 302,000 at the end of the first quarter, up 14 percent from a year ago.

An important aspect of TDS Telecom's strategy is enhancing existing services, with the goal of increasing market penetration.

One way the company is doing this is by offering customers the ability to tailor the services they receive through bundling options. For example, TDS Telecom offers 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 of this has been good.

32. 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. We have not revised guidance since then.

33 TDS SPECIAL COMMON SHARES

Before concluding, I want to mention two other value-enhancing activities beyond our business unit operations. Last month TDS shareholders approved a proposal to increase the number of authorized special common shares of TDS stock. On May 13, there was a stock dividend distribution of special common shares to TDS stockholders of record as of April 29. Shareholders received one share of special common stock for each share of TDS common and Series A stock. This distribution is tax-free for federal income tax purposes for TDS shareholders. The new class of stock has been trading actively since May 16 and has a ticker symbol TDS.S (TDS dot S).

Increasing the number of special common shares provides TDS with greater strategic and financial flexibility. We have indicated that TDS may at some point in the future offer some of the special common shares to acquire the 18 percent of the U.S. Cellular stock that TDS does not currently own. Such a transaction would simplify our capital structure, benefiting our shareholders. Whether TDS completes the transaction depends upon market conditions, and at present there is no set time frame for the transaction. Should it occur, we do not foresee it having any effect on U.S. Cellular's day-to-day operations.

Some of you may not be aware of TDS's large holdings of Deutsche Telekom and Vodafone stock. On April 28, TDS received an annual dividend from DT, in the amount of $105 million cash, which is subject to German withholding and U.S. taxes. We are eligible for, and are in the process of applying for a partial refund from the German government. We expect to receive Vodafone dividends totaling approximately $4.6 million in the second and fourth quarters of this year. This amount is our estimate and based on the dividend we received in the fourth quarter of 2004. Eighty percent of Vodafone dividends accrue to U.S. Cellular and the remainder to TDS Telecom.

34. TDS: EXCELLENT PROSPECTS

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

We expect the positive momentum we generated in the first quarter of this year, to continue during the remainder of 2005, and we look forward to another good year for the company.

With that, we will now be happy to take your questions.

35. RECONCILIATION OF ADDITIONAL DISCLOSURES

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37. TDS: EXCELLENT PROSPECTS