
United States Cellular Corporation operates on a customer satisfaction strategy, driving loyalty and performance by providing a comprehensive range of wireless services and products, superior customer support and a high-quality network.

2010 Performance Highlights

For U.S. Cellular, 2010 was a year of innovation and exciting transition, tempered by challenging economic conditions and intense competition in our markets. We had strong growth in smartphone sales, which led to greater use of data services and, in turn, slightly higher average revenue per customer. The cost to subsidize those smartphones, however, contributed to a decline in profitability.

The entire organization came together beginning in June to make the CEO transition successful. We're excited about combining a new perspective with our experienced leadership team to increase innovation at U.S. Cellular and drive performance.

Among the 200 Most Trustworthy Companies in the U.S.

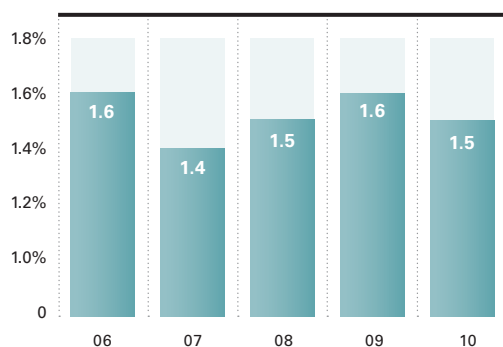
— Forbes Magazine and Audit Integrity

In October, we built on our customer satisfaction heritage with the launch of The Belief ProjectSM, a platform for providing a wireless customer experience that sets us apart from our competitors. By the end of February 2011, 1.7 million new and existing customers had migrated to our Belief Plans.

I'm extraordinarily proud to lead U.S. Cellular and its 9,000 associates, who are so dedicated to ensuring outstanding wireless experiences for our customers. U.S. Cellular's values are my values, and I believe that my strategic operational and consumer marketing strengths are an excellent fit for this company. I'm committed to working with our experienced executive team and our talented associates to improve profitability and increase the value we deliver to our shareholders.

— Mary N. Dillon, President and CEO

Postpaid Churn Rate



Differentiating through the Customer Experience

Over the last several years, U.S. Cellular has introduced programs that address common customer frustrations—Battery Swap, Overage Protection, and Free Incoming Calls, Texts, and Pix.

In 2010, our postpaid churn rate was 1.5 percent, an improvement from 1.6 percent in 2009, demonstrating that our loyal customers appreciate our focus on the features and benefits that matter to them.

With The Belief ProjectSM, we took that customer focus to a new level, offering an exclusive set of features designed to elevate the entire wireless customer experience: one-and-done contracts, faster phone upgrades, Belief Reward points, overage protection and forgiveness, phone replacements with premium plans, and discounts for automatic payment. And, we bundled popular services into national Belief Plans at a range of price points.

Calling The Belief Project a “paradigm shift”, industry expert Frost & Sullivan gave U.S. Cellular its 2010 Customer Value Enhancement of the Year Award. Reinforcing our customer focus, U.S. Cellular was one of

only 40 companies nationwide named a J.D. Power 2011 Customer Service Champion, based on studies conducted in 2010.

2010 Customer Value Enhancement of the Year Award for North America
— Frost & Sullivan

2011 Customer Service Champion
— J.D. Power and Associates

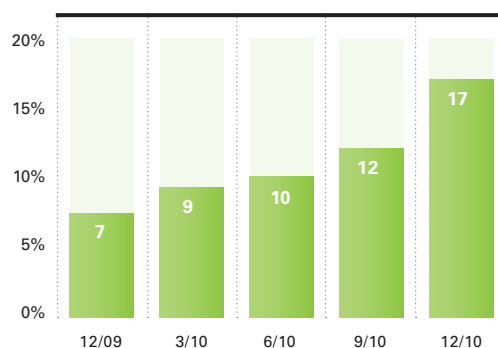
Increasing Smartphone Sales and Data Use

U.S. Cellular customers have always expected excellent customer service and network quality, and we believe they should also expect the most advanced smartphones and data devices.

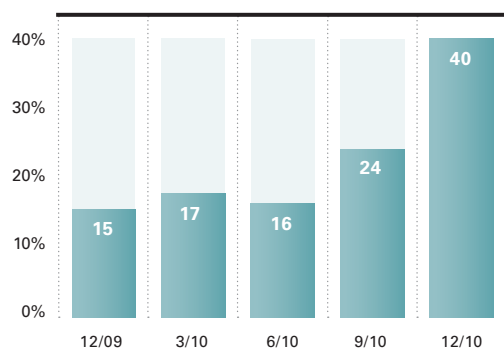
We offered a very competitive device portfolio in 2010, including the highly rated Samsung Mesmerize™ (a Galaxy S™ smartphone) and Samsung Galaxy Tab™, and three other Android®-powered devices; as well as popular BlackBerry® and Windows®-based models. Maintaining the competitiveness of our lineup will be a priority going forward.

At the end of 2010, the number of customers with smartphones was nearly 17 percent of our

Smartphone Customers as a Percentage of Postpaid Customers



Smartphones as a Percentage of Total Devices Sold



postpaid base, compared to seven percent at the end of 2009, and smartphones were 25 percent of the total devices sold in 2010, compared to ten percent in 2009.

This in turn led to greater use of data and a slight increase in average revenue per customer, compared to 2009. While the subsidies required to offer smartphones at competitive prices have a negative impact on profitability in the short term, we expect the higher lifetime value of smartphone customers to outweigh this impact over the long term.

Ensuring Outstanding Communications Experiences

U.S. Cellular has the highest call quality and network satisfaction of any nationwide carrier, according to Nielsen data. We understand that the call experience is as important as the customer service experience, and we continually enhance our network to ensure stellar nationwide coverage. To date, U.S. Cellular has ranked highest in call quality in the North Central region for 11 consecutive J.D. Power and Associates surveys.

As more of our customers chose smartphones in 2010 and the use of our data services continued to increase, we strengthened our capacity and

coverage by upgrading our equipment and adding 366 new cell sites. We completed technical trials of our 4G/LTE network, and we're exploring buildout technologies that provide the highest quality at an optimal cost. We have access to sufficient spectrum for our initial network buildout, and we're actively supporting the Federal Communications Commission's efforts to make additional sources of spectrum available and attainable.

Highest Call Quality Performance Among Wireless Cell Phone Users In North Central Region, Eleven Times in a Row ***— J.D. Power and Associates***

Improving Agility and Efficiency

In 2009, we began work on enablement initiatives designed to enhance our customer understanding and develop, market, sell and deliver our services faster and more effectively. In 2010, we made progress in several areas:

- We selected a vendor to implement our largest initiative, the Billing and Operational Support System, which will include a point-of-sale system and consolidate all billing on one platform.
- Customers can now activate service and purchase devices and plans online.
- We're more effectively targeting recommendations to customers through the Enterprise Data Warehouse / Customer Relationship Management initiative. Future phases will enable us to collect and analyze information more efficiently and further improve customer relationships.

These initiatives are a necessary investment in our future, and will enable U.S. Cellular to operate more effectively and efficiently.

Uniting Around Results

U.S. Cellular's passionate and dedicated associates are the heart of our company, and together we create an environment that values ethical practices, diverse perspectives and business performance. We call this the Dynamic Organization. The Dynamic Organization business model has four equally important elements—leadership excellence, associate passion, customer advocacy and superior results—that together create continuous renewal and improvement.

Serving Our Communities

U.S. Cellular is committed to making a positive impact on the areas across the country that our customers and associates call home. Quality education for children is essential to creating vibrant and engaged communities, and in 2010, we contributed more than \$2 million for schools and classroom projects nationwide through two grassroots programs—*Calling All Teachers* and *Calling All Communities*—demonstrating that we serve more than individual customers, we serve communities.

Looking Forward

We are building on our heritage of customer satisfaction and the differentiating power of The Belief ProjectSM platform to drive customer and revenue growth. We're aiming higher than simply "satisfied".

As a U.S. Cellular customer, you can expect outstanding service and value, and we're making sure that our marketing, media and sales strategies effectively communicate our value to potential customers. We're also leveraging our most important asset—our loyal customers—to promote word-of-mouth advocacy that attracts new customers.

Smartphones are becoming "essentials" for many consumers, and we're meeting their needs—and keeping our lineup competitive—with at least 13 Android®, BlackBerry® and Windows® smartphones in 2011, at a variety of prices. U.S. Cellular customers have the highest network satisfaction of any major carrier, and we aim to keep it that way by launching 4G/LTE in our markets.

As we seek to improve profitability, we're investigating potential new revenue streams, and actively improving our cost structure.

At the same time, we're moving ahead quickly on the next phases of our strategic initiatives, to increase customer understanding, and enable more efficient development and delivery of high-quality services and products.

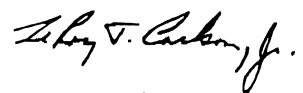
We're excited about the opportunities ahead for U.S. Cellular. We understand the challenges, and we believe that by increasing awareness of our customer satisfaction strategy, driving smartphone sales and improving operational efficiency, we can compete effectively and improve profitability.

Thank you to the 9,000 associates of U.S. Cellular for your focus during the leadership transition and one of the biggest program launches in the company's history. Thank you also to our shareholders and debt holders for your confidence in U.S. Cellular's long-term vision.

Sincerely,



Mary N. Dillon
President and
Chief Executive Officer



LeRoy T. Carlson, Jr.
Chairman