

Ken Meyers - U.S. Cellular
10th Annual Global Communications Conference
Nov. 17, 2005, 11:30 a.m (15-20 min. presentation
followed by 20-30 min. Q&A)
New York

1. KENNETH R. MEYERS TITLE SLIDE

Good morning. It's good to be here with you today to talk about U.S. Cellular. I'd like to thank Collette Fleming and her team at UBS for giving us the opportunity to participate in the conference and speak with you today.

With me today is Mark Steinkrauss, who is responsible Investor Relations for TDS and U.S. Cellular. We will be happy to answer any questions you may have after my prepared remarks.

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 web cast portion of today's presentation.

On Nov. 10, TDS and U.S. Cellular announced that the companies would be restating some of prior period results. The restatement will include financial results for the first and second quarters of 2005, for the years ended Dec. 31, 2000 to 2004, and for each of the quarters of 2004 and 2003. Both TDS and U.S. Cellular's press releases are lengthy and I encourage you to review them.

Also in the Nov. 10 press release, U.S. Cellular updated

guidance and provided certain third quarter operating results. The company will release full third quarter operating results on Nov. 28 prior to the market open. Please note that later in this presentation we will discuss the third quarter operating data that was included in the press release. However, we will have to limit the discussion to only the data that was issued in the press release. We also updated our guidance for both companies in the Nov. 10 press releases and I will comment on U.S. Cellular's guidance later in this presentation.

3. U.S. CELLULAR

U.S. Cellular is the sixth largest wireless provider in the U.S., serving 5.3 million customers in 25 states.

We deliver our voice and data services over a high quality CDMA 1X network.

4. MAP

We characterize U.S. Cellular as a multi 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. As a regional carrier we are able to address the needs of most market segments including the consumer segment and small and regional business segments.

5. U.S. CELLULAR STRATEGY

U.S. Cellular's strategy consists of four basic components. First, as I noted earlier, we've positioned U.S. Cellular as a multi 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 goal is 100-percent customer satisfaction every time.

Third, we offer customers service on our upgraded CDMA 1X network technology, in place in all of our markets, and operating over an extremely strong network of cell sites.

And fourth, we are focused on strengthening our footprint, building on our existing markets and exiting those that do not complement our regional focus.

6. CHURN RATE

Our strategy at U.S. Cellular revolves around total customer satisfaction. We want our customers to stay with us because it costs more to add new customers than to retain the ones we already have.

Additionally, satisfied customers are the best source

for referrals and sales of second and third lines. This strategy is proving to be successful as our customer satisfaction surveys and churn rate testifies. Churn has been low and steady for many years and it remains low – despite strong competition in the markets we serve as well as the introduction of wireless number portability.

7. J.D. POWERS

Again this year, U.S. Cellular received third party endorsement of our top-notch customer service.

During the quarter, we tied for first place with another CDMA wireless carrier in the customer service category of the J.D. Power and Associates' 2005 U.S. Wireless Regional Customer Satisfaction Index (CSI) StudySM for the North Central region.

8. CONSUMERS UNION

In March of this year Consumers Union conducted an analysis on FCC customer complaints about wireless carriers. In an industry plagued by customer dissatisfaction, we are very proud of the fact that U.S. Cellular had the fewest complaints and the lowest complaint rate of the top eight wireless carriers – a notable achievement.

9. STRENGTHENING THE FOOTPRINT

As you can see on this slide, U.S. Cellular has made excellent progress on the footprint component of our strategy. U.S. Cellular has entered into many transactions that have strengthened its footprint.

Of note, it was through an exchange with AT&T Wireless- now Cingular- that we acquired licenses in four new markets that were recently launched. In 2004 we completed the build-out and launch of 3 markets: Oklahoma City, Lincoln, Nebraska, and Portland, Maine and each is doing well. We are seeing solid customer growth, higher than expected levels of revenue and great network results.

The fourth market is St. Louis which I will discuss shortly.

In addition to the transactions listed on this slide, we also launched service in eight smaller markets in 2003 – all in the Midwest – further strengthening our footprint there. We also purchased a small 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.

10. **EXCHANGE ASSETS WILL ALLTEL**

Most recently we announced an exchange with Alltel.

In the exchange, U.S. Cellular will receive 146,000 total customers in Kansas and Nebraska while Alltel will receive 91,000 total customers. In addition to customers, both companies will receive 850 MHz spectrum, cell sites, retail stores and agents. This is under normal regulatory review, and we expect it to close this quarter.

11. MAP OF ALLTEL EXCHANGE

As you can see on the map, the salmon red represents the markets that U.S. Cellular is receiving and the yellow is what Alltel is receiving. This exchange strengthens our competitive position market in the Midwest. While the Idaho market has performed very well, it was not contiguous with our other properties in Northwest. We think this is an exchange that benefits both companies and their customers.

12. ST. LOUIS

We launched in St. Louis in late July. St. Louis is a very large market for us with 2.9 million pops. We feel strongly that, as a new arrival in St. Louis, it is incumbent on us to launch market operations as

flawlessly as possible. For that reason St. Louis is the only market that we launched this year.

We worked very hard to build an excellent network with nearly 300 cell sites. We know we have a good network because a well respected, independent third party performed a drive test and U.S. Cellular tied for first place. The bottom line is that we built a brand new network in St. Louis that matches the best in that market.

Along with the network we designed a strong retail distribution network that makes it easy for the customers to get to us. And finally, we worked very hard to ensure that we have well-trained associates. One of the things we have learned from prior launches is the importance of people and their ability

to take care of the customers on day one. As a result, we not only hire and train new associates, but we also transfer experienced associates from other markets to support the launch efforts allowing us to place seasoned U.S. Cellular sales and service leaders into the market from the start of the operations.

And, the network for St. Louis has been up and running for roaming purposes since fourth quarter 2004, allowing us to reduce roaming expenses since that time.

As we said back in July, U.S. Cellular does not plan to launch any meaningful markets during the remainder of 2005 and all of 2006. This way we can focus on St. Louis and our other recently launched markets ensuring their success.

13. AUCTION 58

One of our limited partners, Carroll Wireless, participated in the FCC's Auction 58 in February, and was the successful bidder for 17 licenses, principally 10 Mghz 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 represent about 14.4 million pops, one half of which is incremental new pops which is why we did it.

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. With CDMA 1X we are also well positioned to upgrade our networks to future technologies.

16. 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 – phone download applications and picture messaging. We also offer our business customers a wireless modem service under the **easyedge** brand of data services.

17. DATA REVENUE GROWTH CHART

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 second quarter of 2005, data revenues were \$31 million or 4.5 percent of service revenue. We have not provided data revenue for the third quarter yet but plan to so when we release full Q3 results. We continue to see strong growth in both the short messaging service product and our **easyedge** services.

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. In March, we added AOL® Instant Messenger™, a feature we expect to be very popular with **easyedge** customers.

18. NEW OFFERINGS

We also implemented intercarrier delivery of picture messaging services with some of the other wireless carriers, improving the value of this service to our customers.

We launched our walkie-talkie style service – SpeedTalk – in July. SpeedTalkSM is U.S. Cellular's first "press-to-talk" product and operates over the company's highly regarded digital network. This service is marketed to retail and business customers in service packages that offer both traditional voice service and “push to talk”

calling. Initial customer reactions have been quite positive.

Further we plan to continue enhancing our service offerings this year and beyond – we expect to enable “data roaming” over the next several months so customers can access data services when outside of U.S. Cellular’s service areas.

19. 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 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 and launch marketing trials utilizing Release 0 next year. Any widespread deployment will depend on the results of these tests and the availability of EVDO Release A which should be available in early 2007. Release A offers higher speeds

particularly on the uplink side.

20. THIRD QUARTER FINANCIAL HIGHLIGHTS

This slide shows you third quarter data that we have released. Customer growth is 10% year over year and MOU is up 16%. Consequently, the number of cell sites is up as well - a function of more customers using their phones more often. And as has been the case for several years, postpay churn was low at 1.5% as a result of our focus on customer satisfaction.

21. THIRD QUARTER – RANGE OF AMOUNTS

CURRENTLY ANTICIPATED

This slide shows the third quarter ranges that we provided in the release. Based on analyst estimates, we think we are in or at the upper range of most analyst

expectations for most if not all of these categories. We will provide more insight on third quarter operating results when we release full results on Nov. 28.

22. USM FINANCING TRANSACTIONS

In terms of strengthening the balance sheet, we have continued our re-financing activities, which are designed to further strengthen the balance sheet and provide the company with financial flexibility and ample liquidity.

Taking advantage of the lower interest-rate environment in 2004, we issued \$430 million in long-term debt which was used to redeem \$413 million of U.S. Cellular debt, including \$163 million of

convertible debt, eliminating potential dilution. In addition to locking in favorable interest rates, these transactions lengthened debt maturities and provided flexibility with call provisions.

We also amended our revolving credit facility, extending it two years to the end of 2009, and improving terms and costs of the borrowing facilities.

U.S. Cellular is investment grade rated and we have every intention of maintaining that rating going forward.

23. DIVIDEND AND INVESTMENT INCOME

Before we wrap up, I would like to mention two below the line items. Historically Vodafone has paid a semi-

annual dividend in the second and fourth quarter. We expect to receive the same dividend amount in the fourth quarter that was received in the second quarter which was approximately \$3.6 million. In addition, we continue to receive investment income from our minority pops. This slide shows the investment income and cash from the L.A. market which is our largest minority position.

24. USM 2005 OUTLOOK

We updated our full year guidance on Nov. 10. The only change from previous guidance is that we brought down our retail net add guidance. The previous guidance was 475,000 to 525,000 and we now are expecting a range of 400,000 to 425,000. The change is primarily due to fewer gross customer activations.

The slow down appears to be pervasive and across most geographies.

25. RECONCILIATION

26. USM: EXCELLENT PROSPECTS

We are excited about U.S. Cellular's prospects. Our plans for 2005 are to continue to operate our model which focuses on the customer and drives excellence of execution.

Key goals for this year are to successfully launch U.S. Cellular service in St. Louis, which we have done, while continuing to enhance our data services and to profitably grow in our current markets. As I noted

earlier we have introduced several major data offerings this year.

This means growing our customer base in the markets launched last year, continuing to strengthen our market position in Chicago and driving deeper market penetration in our more mature markets such as Milwaukee, Madison and Cedar Rapids.

We have a proven strategy in place, a strategy based on satisfying the customer in order to drive long-term profitable growth and we are sticking with it and performing well against it. And now we would be willing to answer any questions you may have.

27. WHITE SOX 2005 WORLD CHAMPIONS

U.S. Cellular Field is home to the 2005 World Champion

Chicago White Sox. Even though U.S. Cellular is regional carrier, the World Series provided the company with a lot of brand-name recognition and exposure benefiting the company and its shareholders. We made an investment in the naming rights to U.S. Cellular Field three years ago when the White Sox weren't quite as much in the limelight as they are now and its proven to be a very wise decision.

We hope to see the White Sox make a repeat next year!