TDS 2003 Annual Meeting Remarks
May 8, 2003
Chicago, Illinois

SLIDE 1 **TDS ANNUAL MEETING OF SHAREHOLDERS**

SLIDE 2 **LEROY T. CARLSON, JR.**
Good morning. Thank you for attending this year's meeting of TDS shareholders, and for your continued interest in and support of the company.

2002 was a year of solid operating results for TDS, in addition to being a year of significant milestones. U.S. Cellular completed the largest acquisition in the company's history with the purchase in August of the Chicago Metropolitan Trading Area - formerly referred to as PrimeCo. TDS Telecom also achieved a significant milestone event, when it surpassed the million access line equivalent mark in the fourth quarter of last year.

We continued to execute well on our wireless and wireline strategies in a very difficult economic environment and an environment that was very troublesome for the capital markets, particularly for telecommunications companies.

I will be reporting to you today on the key initiatives we've undertaken at U.S. Cellular and TDS Telecom, both for 2002 and for this year as well. After that Mark Steinkrauss will discuss our operating results as well as several of our corporate initiatives.

SLIDE 3 **SAFE HARBOR**
Because we will be discussing future aspects of the company today, I would like to remind everyone to please review these Safe Harbor provisions, which explain some of the various factors that could affect future results.

SLIDE 4 **TDS MAP**
This map shows TDS as it is today. U.S. Cellular's markets are in blue. TDS Telecom's ILEC, or incumbent local exchange carrier, operations are in red. TDS Telecom's two competitive local exchange carriers, or CLECs, are represented in green - for TDS Metrocom – and dark blue - for USLink.

It's impressive to think that 34 years ago, if you'd looked at the map, you would have seen only some small ILEC's in the state of Wisconsin and included only local wireline telephone service. It serves to underscore the fact that we are participants in an industry of change - change that often occurs at seemingly exponential speeds and creates opportunities for us.

SLIDE 5 **U.S. CELLULAR MAP**
And one of our strengths at TDS - and U.S. Cellular, our 82.2 percent owned wireless company - is that we adapt quickly and innovatively to the changing telecommunications environment. We take a very calculated and disciplined approach to the development of the company. We have helped to build U.S. Cellular over the years into a very strong regional wireless company, and the U.S. Cellular management team is focused on strengthening its presence in its existing markets, and especially on the Midwest, which - as you can see from this map - is also the largest market area for U.S. Cellular.

One thing that does not change at U.S. Cellular - or at any of our companies for that matter - is our focus on exceptional customer service, on customer

satisfaction. We never forget that while the technology of telecommunications changes regularly, customers place much more importance on the quality of service they receive.

We provide award-winning customer service at U.S. Cellular through a dynamic organization of highly motivated associates, a broad sales distribution network, a high-quality network and competitive pricing plans. Customer service and satisfaction are our differentiators, and we remain committed to besting our competitors in these regards.

SLIDE 6 **CHICAGO ACQUISITION**

That's an overview of our strategy at U.S. Cellular. And an excellent illustration of that strategy is the acquisition of the Chicago market.

The acquisition strengthens U.S. Cellular's footprint in the Midwest region, adding the region's key metropolitan market - Chicago - to the already strong presence we have in the region. And in addition, because it was the number-one roaming destination for our customers before the acquisition, the acquisition will save the company about $9 million this year and more than $45 million in net present value over the next 10 years.

Let me give you an update of how the acquisition has progressed since I spoke to you last year, when we had just announced entering into the agreement. Only 97 days after we completed the acquisition in August, U.S. Cellular launched the Chicago market under the U.S. Cellular brand name in November, with the focal point of the advertising campaign being our superlative customer service. That the launch was successfully accomplished in so short a period of time speaks to the dedicated efforts of the U.S. Cellular management team and the associates, who quickly upgraded Chicago's network technology to CDMA 1XRTT, who converted the billing system – and who opened many new distribution outlets – both new company stores and exclusive dealer locations. I encourage you to visit one or more of our stores in the Chicago area and experience firsthand our top-notch customer service, which was a key part of the launch efforts. We transferred critical customer service and support functions which had been managed by a third-party vendor to our own associates, ensuring that our Chicago customers get the same excellent standard of service as do our other customers around the company.

SLIDE 7 **U.S. CELLULAR FIELD**

And most recently as part of our plan to build presence in the Chicago Metro area, we signed an agreement with the Chicago White Sox to acquire the naming rights for their baseball field here in Chicago -- now called U.S. Cellular Field. This move is already capturing a great deal of name recognition for U.S. Cellular in its new market. We will also benefit from the 2003 All-Star game being played at U.S. Cellular Field in July. Additionally, we've also entered into agreements to be a lead telecommunications sponsor for the popular "Taste of Chicago" and the exciting "Air and Water Show" held during the summer months as well as three other major events.

The market launch was very successful, with rapid growth in customers and dramatic increase in brand recognition. Furthermore, U.S. Cellular has reduced the churn rate for the market, that is, the rate at which we lose customers in a month, and shifted the customer mix there significantly toward postpay customers, or those on contract, more stable customers. When we acquired the Chicago market 40% of the customers were on prepaid; that is, not on contract. We are pleased by the progress we're seeing there and feel certain that Chicago

will in turn strengthen what was already U.S. Cellular's largest and most profitable market.

SLIDE 8 **CDMA CONVERSION**

U.S. Cellular also made significant and commendable progress in deploying CDMA 1XRTT technology throughout its entire system -- a major network improvement initiative that the company launched last year. Now, we haven't yet completed the entire system yet, but we're well on our way.

Deploying the upgraded technology is anticipated to cost $400 to $450 million, and, thanks to the impressive efforts of the associates involved in the upgrade, we are well ahead of schedule. The technology offers better call quality and reliability -- and better use of the wireless spectrum from a cost perspective. The upgrade is an investment that benefits both customers and company.

U.S. Cellular has completed the upgrade in four states, including the upgrade of Chicago to 1XRTT prior to launch. As a result, U.S. Cellular is now able to offer CDMA technology in markets that represent 75% of the total population that U.S. Cellular serves. The CDMA 1XRTT upgrade is moving forward on a cost level that is lower than originally projected, and is ahead of schedule and with no significant impact on customers. U.S. Cellular continues to support those customers who still use TDMA technology.

I'd like to briefly mention here an interesting fact that highlights the capability and dedication of the associates involved in the conversion efforts. U.S. Cellular's original network of 1200 cell sites was built at an average rate of several sites *per month*. Since the 1XRTT upgrade efforts got underway in September of last year, the monthly average was *170* sites a month - and in many cases the deployment involved almost as much work as building a new cell. That's pretty impressive.

And because U.S. Cellular is ahead of schedule on the upgrade, we're past the half way point for CDMA-related capital expenditures. We've already spent $215 million in 2002. We anticipate that U.S. Cellular's overall capital spending should begin to decline in 2004 for the existing group of markets that are now in operation.

SLIDE 9 **USM & AWE PLANNED EXCHANGE**

In addition to the acquisition of the Chicago market and the CDMA upgrade, in early March of this year, U.S. Cellular announced another major initiative: the planned exchange of wireless assets with AT&T Wireless.

This transaction, which is expected to close in the third quarter this year, is a significant step for U.S. Cellular toward accomplishing another of its strategic goals - the improvement of its footprint.

With the transaction, U.S. Cellular will receive properties from AT&T that effectively solidify the company's Midwestern presence, filling in some significant holes in the region, as well as strengthening its Northeast markets – allowing U.S. Cellular the opportunity to substantially improve its competitive position. The move will enable the company to offer more competitive local and regional calling plans than we have been able to do in the past, and it will also reduce off-net roaming costs.

The company is trading away properties, which, while very attractive, did not fit with U.S. Cellular's other markets.

SLIDE 10 **USM & AWE EXCHANGE**

To be specific, with the exchange U.S. Cellular will receive PCS spectrum, primarily 10 and 20 MHz licenses, in 36 markets that cover a total population of 16.6 million people. In addition, U.S. Cellular will receive $31 million in cash and minority interests in 6 markets currently operated by U.S. Cellular.

In exchange, U.S. Cellular is delivering to AT&T U.S. Cellular's North Florida and South Georgia operations that currently serve 141,000 customers.

SLIDE 11 **USM & AWE EXCHANGE – MAP**

As you can see from this map, the properties U.S. Cellular is receiving are an excellent fit to existing operations. Approximately 70% of the spectrum U.S. Cellular will receive, which covers about 12.2 million pops, is in markets immediately adjacent to current operations. And, you will note, the properties U.S. Cellular is giving up pretty much stand alone.

U.S. Cellular expects to take possession of its new licenses in staggered closings to facilitate compliance with FCC service requirements, and the company is currently working on the build-out and launch plans for these new markets. While we don't anticipate initiating commercial operations in any of these new markets this year, as soon as the transaction closes, U.S. Cellular will move aggressively to offer service in some the new properties, particularly in Oklahoma and most likely in Missouri. The company hopes to begin construction in these markets before year-end.

SLIDE 12 **USM FOCUS - 2003 AND BEYOND**

As I mentioned, the AT&T exchange represents a significant step for U.S. Cellular toward its goal of strengthening its footprint. As you can see from this slide, this is one of the four major areas of focus for the company in 2003, as it continues to strategically build up those markets where the company is already well established. The ultimate goal is to grow the company profitably, while at the same time enhancing its competitive position.

But first and foremost U.S. Cellular remains focused on its exceptional customer service. The company has embarked on several initiatives to make that service even better than it is today. One such initiative is to transition billing systems for Chicago to our CARES billing system, which will not only streamline the billing support function but also make the job easier for our customer service associates, allowing them to better serve our customers. We expect this initiative to be completed in the third quarter.

In addition, U.S. Cellular will continue rolling out the upgraded CDMA technology, focusing on the remaining areas of the Midwest, particularly Oklahoma, and New England. The company is well on track to complete the entire conversion in 2004, as originally planned.

Finally, the company is pushing ahead with data services, focusing on those services that customers want - and understand. One of these services is Short Message Service, or SMS for short, which allows customers to send and receive short messages with their wireless phones. This new service, while still relatively small, is growing rapidly.

Another data service U.S. Cellular has been working to offer is what is called BREW-based service, a trademark of QUALCOMM, which allows users to download applications such as email, text messages and games, to their wireless handsets. The company recently announced plans to deploy BREW-based data

services in Tennessee this month, following a successful trial of the data services in Knoxville last year. U.S. Cellular intends to then launch the BREW-based data services, which requires a CDMA platform, across its other CDMA 1XRTT markets later in the year. This is another example of the benefits of having the upgraded 1XRTT technology in place - as well as the company's investment in services that customers have indicated they want. That's very important.

SLIDE 13 **TDS TELECOM MAP**

Moving now to TDS Telecom, our wholly owned wireline-telephone subsidiary, you can see its ILEC and CLEC operations on this map. The blue areas on this map represent our ILEC operations and the green represents our CLEC operations, which comprise TDS Metrocom in Wisconsin, Illinois and Michigan and USLink in Minnesota and North Dakota.

SLIDE 14 **TDS TELECOM'S OVERALL STRATEGY**

TDS Telecom's strategy is very much like that of U.S. Cellular. The primary focus is on providing outstanding customer service - putting the customer first above all. The company continues to rank very high in customer service ratings. According to respected third-party survey companies, customers rate our service better than that of almost every other telephone company on all aspects, from the friendliness and knowledge of our employees, to our pervasive local presence and reliable service. We are very proud of the loyal customer base TDS Telecom has grown over the years.

Also like U.S. Cellular, TDS Telecom is committed to protecting and growing its current markets. Its growth strategy is based on balance and sustainability - seeking profitable growth where growth makes sense from a business point of view. This often involves a clustering approach - evident from the companies most recent acquisitions of two New Hampshire telephone companies in 2002, as well as the purchase of Chorus Communications in 2001.

However, the growth strategies at TDS Telecom do differ somewhat for the ILEC and CLEC operations.

SLIDE 15 **TDS TELECOM'S GROWTH STRATEGY**

For the ILEC, TDS Telecom is focused on growing and protecting its ILEC business by building customer loyalty. The company does this through its strong local presence, as well as by offering competitively priced, high-quality services. The ILEC also provides a broad range of bundled services which are quite profitable and offer the opportunity for additional penetration and growth.

On the CLEC side, the company is working to aggressively grow the businesses, expanding into carefully chosen markets near existing ILEC and CLEC operations. This is particularly true of TDS Metrocom, the primary organic growth engine of TDS Telecom, which has chosen to stay in the 5-state footprint of one RBOC - SBC. This eliminates many of the complexities of the provisioning process, expediting the process, which in turn helps Metrocom achieve high customer satisfaction levels.

TDS Metrocom's goal is to be in secondary cities and suburban areas in the Midwest states that have strong, pro-competition regulatory commissions. However, Metrocom is pacing its expansion efforts to best ensure successful results - this speaks to the company's focus on balanced and sustainable growth. Metrocom aims to achieve meaningful penetration in its current markets before moving to new opportunities.

Futhermore, Metrocom's clustering strategy enables it to provide customers with a broader range of services at lower cost levels. And by leveraging the existing ILEC management and process infrastructures - sharing resources in the "back-office" areas of billing, engineering, regulatory and other operating functions, the CLEC is not only able to generate significant economies of scale, but it also is able to focus most of its people's energies on marketing, selling and serving the customer - critical for a start-up operation.

And finally, TDS Telecom's CLEC management believes that the facilities-based model - one in which the CLEC owns its own switches – is more sound over the long term than does the leased facilities model. TDS Metrocom owns all of its switches. USLink, TDS Telecom's other CLEC, is currently 21% on switch and is gradually migrating to the facility-owned model like its counterpart Metrocom.

SLIDE 16 **TDS TELECOM'S OVERALL STRATEGY (cont'd)**

The first two components of TDS Telecom's strategy consist of providing superlative service and growing and protecting its markets. The third component involves developing and marketing new products and services.

This part of the overall strategy is a critical aspect for the company going forward, because although the ILEC posted a 5% growth in access line equivalents in 2002, most of this growth was driven by acquisitions. TDS Telecom is actually seeing a slight slowing in its organic growth - as are many other ILECs.

SLIDE 17 **VERTICAL SERVICES PENETRATION**

That's one of the reasons that TDS Telecom's promotion of vertical and additional services is so important. The company has worked to supplement its traditional local telephone service with key vertical services such as caller ID, call waiting, voicemail, as well as additional services such as long distance and Internet services, both dial-up and DSL Internet services.

At the end of the first quarter this year, the company provided its own brand of long distance service to 202,000 ILEC customers, which was up 38% year over year. This service involves very little capital spending, providing an enhancement to the ILEC's return on capital.

And, as you can see from this slide, which shows the results from our first quarter, TDS Telecom has achieved above-average penetration for its various services and continues to market them aggressively in both its ILEC and CLEC operations.

DSL, our high-speed data service, is also doing very well. At the end of the first quarter, ILEC DSL accounts totaled 12,800, which was up 280% from a year ago. TDS Telecom has made significant headway in extending DSL service into new markets. And at the end of the first quarter, our ILEC operations offered DSL in 35 of its markets, which covered more than 55% of its access lines.

SLIDE 18 **TELECOM AT A CROSSROADS: POSITIONING TDS TELECOM FOR THE FUTURE**

The promotion of profitable add-on services is one way TDS Telecom is addressing the potential future trend of reduced ILEC access line growth in the ILEC.

As I mentioned earlier, the telecommunications industry is characterized by rapid change, and the company that continues to offer the same old services is likely to become obsolete. TDS Telecom is actively and aggressively pursuing ways to

counteract the threat of wireless substitution and the threat of cable company initiatives. It is developing new services both to retain and grow its customer base and to increase its share of their telecommunications spending.

SLIDE 19 **NEW INITIATIVES**

For example, TDS Telecom and U.S. Cellular are considering marketing a combined service offering in some of their overlapping markets. If such a service proves viable, it could help combat the competitive threat from other wireless carriers and increase overall customer satisfaction for both companies.

Another way TDS Telecom is working to combat competitive threats is by providing various "bundled" services that offer increased convenience and foster customer loyalty. One example of this is TDS Telecom's Total Talk - an offering that includes local, long distance, Internet and profitable add-on features. Customer response to this product has been very encouraging during its test marketing. Other bundled options being offered include various DSL, dial-up Internet service, local and long distance combinations.

In addition to bundled services, TDS is working to combat cable competition with a satellite entertainment package that it offers through its relationship with EchoStar Dish Network. TDS Telecom's approach here is very targeted. It promotes this product along with TDS Internet services in those of its markets where cable companies are actively pursuing customers for high-speed Internet access. This is another example where TDS Telecom is able to leverage its brand franchise and reputation for quality, as customers know and trust TDS Telecom. This strategy has proven to be very successful.

SLIDE 20 **TDS TELECOM FOCUS - 2003 AND BEYOND**

So TDS Telecom is focused this year and beyond on addressing the challenges of the telecom industry by rapidly growing DSL and other data services in its ILEC and CLEC markets. And it is also pursuing joint service opportunities with its sister company U.S. Cellular.

In addition, TDS Telecom is intent on leading the industry in customer satisfaction, rapidly and profitably growing its CLEC operations, and aggressively promoting a positive regulatory environment to create an environment for further growth for the company.

SLIDE 20 **TDS: EXCELLENT PROSPECTS**

In a moment Mark Steinkrauss will comment on our financial results and the company's strong balance sheet. TDS's sound financial position, combined with its strong operating companies, positions it well for the future. We are a full-service telecommunications provider with both strong wireless and wireline operations, giving us an important element of diversification. We have favorable positions in our markets. Our business units have effective strategies centered on customer service and network quality which results in customer loyalty - creating the platform for profitable growth. We have excellent management teams who are well versed and talented in their respective areas of the telecom business. We have more than 11,000 terrific employees and associates. Furthermore, we are financially strong, with investment-grade credit ratings and the financial flexibility to pursue strategic opportunities that may arise – a great position to be in in today's telecom industry, or for that matter, any industry.

SLIDE 21 **TRANSITION SLIDE**

We are proud of TDS's strength, and we are committed to building on that strength, behind which lies the essence of the continued success of TDS. I'd like

to take this opportunity to thank all of you -- our shareholders, our employees and our customers -- for your continued support. We know that much of TDS's success is due in part to that support. We appreciate it and are committed to continuing to build a successful company. Thank you.

And now Mark Steinkrauss will carry on for Sandy Helton, executive vice president and chief executive officer of TDS.

SLIDE 22 **SANDRA L. HELTON**
[Mark A. Steinkrauss, speaking for Sandra Helton]

Thank you, Ted.

Good morning. It's my pleasure to step in for Sandy for a few minutes to share TDS's operating results with you today, as well as discuss some of the key initiatives we've undertaken and our focus for 2003 and beyond.

As Ted mentioned, 2002 was a challenging year for the telecommunications industry and corporate America in general. And while we'd like to be able to report that the difficult environment is a thing of the past, such is not entirely the case – yet. While we can't control many of the external factors, we can – and have – remained firmly focused on executing our business strategies and working to achieve our corporate objectives. We made solid progress in that regard during the year. You've heard from Ted about the initiatives of our business units; I'll share with you some of our key corporate initiatives. But first I'd like to briefly review our financial results with you, starting with our five-year performance, moving to our 2002 performance and finally our first-quarter results which we reported this past Monday.

SLIDE 23 **SAFE HARBOR**
Before I proceed, I would like to remind you that I will be discussing forward-looking material in addition to mentioning certain financial metrics that are not standard to generally accepted accounting practices, or GAAP for short. Therefore, relating to the forward-looking information, I would ask that you review this Safe Harbor information …

SLIDE 24 **ADDITIONAL DISCLOSURES**
… as well as the information on this slide, which provides a reconciliation of the non-GAAP financial measures I'll be discussing to their GAAP counterparts.

SLIDE 25 **EXCELLENT RESULTS – 5 YEAR CAGR**
Moving now to our five-year compound annual revenue growth rate, we are very pleased to report that, for the five-year period ending in 2002, our revenues increased at a rate of 15.9%.

Earnings before interest, taxes, depreciation and amortization – which I will refer to going forward as 'EBITDA,' increased 14.3%.

We attribute this strong performance to our focus on profitable growth and operating excellence.

SLIDE 26 **FIVE-YEAR TRACK RECORD**
Our revenues have been increasing at a healthy rate. Our EBITDA, however, has not been increasing as rapidly as oand or startups at both U.S. Cellular and TDS Telecom - such as the purchase of Chicago at U.S. Cellular or the start-up of TDS Metrocom, which don't have the same level of profitability as do our more

mature operations.

SLIDE 27 **2002 OPERATING RESULTS**

Our performance last year was marked by solid operating results at our business units and for TDS in total.

Total TDS revenues grew 15 percent to just short of $3 billion through a combination of organic growth and the impact of strategic acquisitions, including the TDS Telecom acquisitions of Chorus, MCT and TSNH, as well as U.S. Cellular's acquisition of the Chicago market.

EBITDA for the year, however, trailed revenue growth, increasing 1% to $897 million. Two primary factors were behind the slower growth in profitability: First, U.S. Cellular experienced higher operating costs due to the acquisition and launch of the Chicago market. Second, the effects of a weak U.S. economy impacted results at both business units, particularly with regard to vendor bankruptcies and bad debt write-offs. Increasing competition also played a role, as evidenced in aggressive price competition for U.S. Cellular and slowing access-line growth at TDS Telecom's ILEC business, due in part to wireless substitution.

Essentially flat EBITDA, together with higher depreciation and amortization expenses and interest expense, resulted in a 23% drop in EPS year over year.

Turning to capital expenditures, U.S. Cellular spent a total of $731 million for the year, within our planned range. Of that amount, $215 million went toward the company's CDMA 1XRTT deployment, reflecting the accelerated schedule of the deployment. Most of the remainder of U.S. Cellular's capital spending related to network buildout, necessary to provide excellent service quality as customers and minutes of use increased, particularly related to the Chicago acquisition.

At TDS Telecom, capital spending for the ILEC operations was slightly less than plan, while the CLEC's spending was on plan.

SLIDE 28 **1Q 2003 OPERATING RESULTS**

I'll briefly turn to more recent results, which we announced Monday. Consolidated TDS revenues increased 21% during the first quarter over the same period last year, driven by a combination of organic growth and the addition of the Chicago market for U.S. Cellular and two rural ILECs in New Hampshire for TDS Telecom.

Operating income decreased 68% for the quarter. Operating income included a $23.5 million write-down of the book value related to the U.S. Cellular markets that are part of the planned exchange of assets with AT&T Wireless. The remaining decrease in operating income is due mainly to increased expenses at U.S. Cellular related to the company's fast pace of growth in its new Chicago market as well as its other markets, and expenses related to Cellular's investment in network technology. TDS Telecom had strong operating performance during the first quarter, as the ILEC's operating income grew 12% and TDS Metrocom narrowed its operating loss dramatically.

SLIDE 29 **MONETIZATION**

Having reviewed our financial results, I'd like to comment on some key financial transactions during 2002 and to date in 2003.

TDS has a sizable portfolio of marketable securities. The portfolio includes 3

percent of Deutsche Telekom, a sizable position in Vodafone, plus shares of VeriSign, as well as a smaller position in Rural Cellular Corporation. Most of these holdings originated in some manner from our operations, whether through acquisitions, swaps or trades.

During 2002, we monetized all of our positions in Deutsche Telekom and Vodafone, and most of our Verisign stock using five-year variable prepaid forward contracts. We sold the remaining shares of VeriSign during the first quarter of this year. The monetization was a significant strategic and financial event for the company

The proceeds from the monetization totaled $1.63 billion in cash. The five-year variable prepaid forward contracts enable us to retain ownership of the stocks and reduce the risk levels of the positions, establishing floor prices which protect us on the downside while still allowing us to participate in a portion of any appreciation in the stocks over the next five years. Furthermore, at the end of the contract periods, we have the option to deliver either shares of the stocks or cash.

SLIDE 30 **USE OF MONETIZATION PROCEEDS**

Obviously the most effective use of the proceeds is of paramount importance. Guiding us in this effort is our desire to achieve that fine balance between retaining our strong credit rating and maintaining the flexibility to pursue opportunities that can best build shareholder value over time.

Therefore, we are considering various ways to allocate the proceeds. U.S. Cellular has used its Vodafone proceeds to pay down debt to help fund the purchase of the Chicago market. At the TDS corporate level, we have repaid our short-term debt. Debt reduction is an important component in maintaining our A-rating, and we intend to further reduce corporate debt levels in 2003 by approximately $100-$150 million. We will continue to fund growth opportunities which are value enhancing, while maintaining a modest cash position for future acquisition opportunities that may develop or as protection against a potentially prolonged negative environment in the overall economy or more specifically the financial markets, which as we've seen were not overly receptive to the telecommunications industry in 2002. I'm pleased to say, however, that the tone of the capital markets has improved steadily over the last several months. Another use of the proceeds is TDS stock repurchases, which we are actively pursuing.

SLIDE 31 **STOCK REPURCHASE**

We announced in February of this year that the TDS board of directors authorized the repurchase of 2 million shares of TDS stock. This was in addition to the 1 million authorization already in place, giving us in total a 3 million share repurchase authorization.

We began repurchasing stock in March, and since then have bought back 1.2 million shares at an average price of $40.55, for a total cost of $50 million through April 23.

We will continue the share repurchase program, depending of course, on market conditions. We believe that TDS stock represents a compelling value in today's market, and so at this point we intend to continue repurchasing the stock, as part of our commitment to improve shareholder returns.

SLIDE 32 **FINANCIAL OBJECTIVES**

Let me briefly remind you of our overall financial objectives. Our ultimate aim is

to generate profitable growth and build shareholder value, while maintaining financial strength and liquidity.

Toward that aim, we have four objectives. We want to grow revenues consistent with or greater than the growth rate of the telecommunications markets we serve. Our target is 15 percent compound annual revenue growth over five years, an aggressive goal in this day and age. In spite of the slowing growth in telecommunications, we believe that this goal is achievable. And we achieved that goal in 2002, as our 5-year CAGR at the end of the year was 15.9%, as I mentioned earlier.

But profitable growth involves more than simply accomplishing our revenue growth objectives. It also entails generating a return on capital greater than the weighted average cost of capital for each business. We must constantly strive to deploy capital in the company in the most effective manner. That's why another financial objective is to earn a return that is greater than the cost of that capital. Specifically, this translates into a return on capital for the ILEC business of between 9.5 to 10.5%, approximately 16% for the CLEC business and 11 to 12% for U.S. Cellular.

We achieved the goal for our ILEC business, which produced a return on capital of more than 10 percent in 2002 – a steady improvement from 1998, when the ROC was 5.8%.

Our CLEC business is still in a growth mode, and is currently measured on performance to business plan which call for a return in excess of the 16% weighted average cost of capital. U.S. Cellular has not yet reached its targeted goal, understandable given the major investment in its business related to growing and strengthening its regional footprint in the Midwest and upgrading its technology. However, we remain committed to making steady progress and achieving the goals for each of our business units.

Another of our financial objectives is to generate a return for our shareholders that exceeds the return of comparable companies in the telecommunications industry over the long term. Again, we are working steadily toward that objective, as our increased dividend and the stock repurchase program attest.

And finally, we are committed to maintaining our A- credit rating. Today both TDS and US Cellular are both rated A-, which is a strong investment-grade rating, several levels above the investment-grade threshold.

Throughout my remarks, I have focused on the performance of the business units, which is appropriate. But let me just mention that the TDS Corporate staff, in both Madison and Chicago understand that our purpose is to support the business units and help them to be as successful as possible, and we are focused on that purpose.

For example, the Finance organization across the TDS enterprise has undertaken a multi-year program to reduce our costs, while increasing the quality of our shared services and the effectiveness of our analysis and support for business decision making. It has been very gratifying to see the tangible results achieved in a short period of time and the enthusiasm of our people who are engaged in this process. We are excited about the improvements we can – and will – generate going forward. Improvements that support our business partners in effectively executing their objectives, which in turn, delivers value to the company and our shareholders. All 11,000 of TDS' employees are focused on this goal.

SLIDE 33 **2003 F0CUS**

Looking forward, we are focused on four primary areas in 2003.

We will continue to improve the strategic positioning of both our wireless and wireline businesses, through their geographic footprints and the introduction of new products and services. We must deliver on our business plans and financial commitments, showing continued growth in revenues and increased profitability.

We want to maintain our A- rating, which should be helped by our plans to repay a portion of TDS's debt. We want to maintain sufficient liquidity to enable our business units to pursue strategic opportunities should they arise. And we are focused on our people, helping them to increase their skills and knowledge in order to enable them to make even greater contributions toward the firms' goals, and to make that a beneficial and rewarding experience for them.

We believe that success in these four areas during 2003 will enhance the long-term value of the company for you, our shareholders, our customers and our employees.

Navigating through a weak economy and a challenging telecommunications industry is not an easy task. However, we are confident that we have positioned TDS not only to successfully weather the storm, but also to be ready to capitalize on the economic turnaround when it occurs.

We have disciplined, targeted strategies. We are focused on profitable growth and long-term valuation creation. We're strong financially and we have very capable, committed employees. That's a winning a combination!
I know I speak for Sandy when I say she looks forward to being with you next year to report on our continued progress.

Thank you.

SLIDE 34 **TDS 2003 ANNUAL MEETING OF SHAREHOLDERS**