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SLIDE 1 **TITLE SLIDE**

Good morning. It's a pleasure to be with you today in the hometown of both TDS and our wireless subsidiary U.S. Cellular. I'd like to thank Will Power, Sarah Litton and their team at Baird for giving us the opportunity to discuss TDS with you.

Also with me today is Mark Steinkrauss, vice president of Corporate Relations at TDS. 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.

I hope you had the opportunity to attend the U.S. Cellular presentation just now. Ken Meyers, U.S. Cellular's EVP and CFO, presented for U.S. Cellular and is also on hand for a short while, in case you have any questions you'd like to ask him later about U.S. Cellular.

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 **TDS OVERVIEW**

TDS, a Fortune 500 company, is a diversified telecommunications company founded in 1969. We own 82% of U.S. Cellular, which is publicly traded and makes up 75% of our revenue base. In addition, we have a wireline business, TDS Telecom, which started as an incumbent local exchange carrier and subsequently added competitive local exchange carrier operations.

SLIDE 4 **TDS OVERVIEW MAP**

This is TDS today. U.S. Cellular's markets are in blue. TDS Telecom's ILEC operations are in red, and its CLEC operations are in green. As Ken discussed U.S. Cellular at length in his presentation this morning, I will focus my remarks this morning on the wireline side of the business.

SLIDE 5 **TDS TELECOM MAP**

Here you see TDS Telecom's operations, with the ILEC operations in blue and the CLEC in green.

SLIDE 6 **TDS TELECOM – ILEC**

TDS Telecom is the seventh largest independent ILEC in the country. It has rural-company status in almost all of its ILEC markets, of which approximately 75% are rural and the remaining 25% suburban. The ILEC customer mix is roughly 78% residential and 22% commercial, mostly small businesses.

Because of TDS Telecom's focus on customer satisfaction, it encounters minimal CLEC activity in its ILEC markets. In addition, compared to other independent ILECs, its targeted marketing and sales efforts have generated high penetration levels for profitable add-on services such as caller ID and call waiting, and other vertical services.

SLIDE 7 **CLEC MAP**

TDS Telecom also has a CLEC business, TDS Metrocom, which drives much of the growth at TDS Telecom.

TDS Metrocom was launched in 1998 and is about 85% on-switch.

SLIDE 8 **CLEC OPERATIONS**

The CLEC conducts business in five states: Wisconsin, Illinois, Michigan, Minnesota, and a small piece of North Dakota. As of March 31, it had 378,800 access line equivalents, 22,700 DSL lines and 21,600 ISP accounts.

TDS Telecom's CLEC approach is very targeted. It works toward high penetration in carefully selected markets -- mostly small urban, suburban and urban-fringe markets. Metrocom aims for the smaller to mid-size business customers and "communications-intensive" residential customers. Currently, 63% of Metrocom's customers are commercial and 37% are residential.

SLIDE 9 **TDS TELECOM'S OVERALL STRATEGY**

In terms of strategy, TDS Telecom is focused on growing and protecting its business by building strong customer loyalty. The company does this through its strong local presence, as well as by offering competitively priced, high-quality services –all of which are predicated on providing outstanding customer service.

SLIDE 10 **OUR COMPETITIVE ADVANTAGE: CUSTOMER SATISFACTION**

Almost every company today claims to focus on customer service. But we at TDS placed the customer first long before it was popular to do so, and that practice has served us well. We are very proud that we consistently rank high in respected third-party surveys on customer satisfaction, and we work hard every day to improve upon the service we provide and increase the number of satisfied customers. Satisfied customers tend to remain loyal customers – and they in turn serve as powerful sales advocates for us, very helpful in today's highly competitive environment.

SLIDE 11 **STRATEGIC FOCUS**

TDS Telecom is focusing on four areas in the execution of its strategy: market development, market fortification, public-policy advocacy and process and productivity improvement.

Regarding market development, the growth strategy at the ILEC is based on balance and sustainability - seeking profitable growth where growth makes good business sense. The ILEC uses a clustering approach - evident from its acquisitions of two New Hampshire telephone companies in 2002 and the purchase of Chorus Communications in Wisconsin in 2001. All of the added properties were contiguous or close to an existing exchange.

On the CLEC side, the company is working to aggressively grow the business, deepening penetration in existing markets and expanding into carefully chosen markets near existing clusters of its operations. TDS Metrocom has chosen to stay principally in the five-state footprint of one RBOC - SBC. This eliminates many of the complexities of the provisioning process, expediting the process of turning on service for new customers, which in turn helps Metrocom achieve high customer satisfaction levels.

TDS Telecom is actively working to address the threat of competitive technologies, such as wireless substitution and cable offerings, working to develop new products and services to retain and attract customers. TDS

Telecom's high-speed data service is one of the company's powerful tools in this regard. I will speak in more detail on DSL and other initiatives momentarily.

SLIDE 12 **STRATEGIC FOCUS (CON'T)**

In terms of the company's focus on public-policy advocacy, TDS Telecom has strong governmental relationships at both the federal and state level. These relationships do not develop overnight; they take years to develop. TDS Telecom is committed to maintaining and fostering these relationships to champion its position with respect to favorable regulatory treatment.

And TDS Telecom is looking at opportunities to be more efficient and reduce its cost structure. Leveraging the existing ILEC management and process infrastructures to help support the CLEC is one example – the two operations share resources in the "back-office" areas of billing, engineering, regulatory and other operating functions. This generates significant economies of scale, and at the same time allows Metrocom to focus its energy on marketing, selling and serving the customer.

In addition, last year TDS Telecom adopted a voluntary employee retirement incentive program. This voluntary program is expected to save the company several million dollars a year, without jeopardizing any of the company's service initiatives.

SLIDE 13 **DSL FACTS - ILEC**

TDS Telecom is committed to offering new products and enhanced services customers want. One example of this is DSL, TDS Telecom's high-speed data service, that is offered at both the ILEC and CLEC and is doing very well.

DSL, as you may know, is a lower-margin business at this point in its product life cycle. However, it is also a great growth product for the company -- 50% of those who sign on with us for DSL are new data customers.

In 2003, total DSL lines grew 109% -- 159% for the ILEC and 70% for the CLEC. The company intends to improve its penetration by introducing the service to several new markets this year, a goal aided by the fact that 96% of the ILEC lines are short enough to access DSL.

Particularly for the ILEC business, DSL is a powerful tool to promote growth. TDS Telecom offers two speeds of DSL service for residential service, and TDS Telecom's DSL modems are wi-fi enabled, so that customers can have wireless access at home by simply purchasing a wi-fi card – which the company also offers -- for the modem. Furthermore, once customers sign on to DSL, they tend to keep the service – the churn rate for DSL is less than 1%. And since DSL is also offered in combination with other services, it encourages new customers to expand their service options.

SLIDE 14 **NEW INITIATIVES**

DSL is only one of the ways we are working to address the increasing competition the wireline segment of the industry is facing – and most of that competition is coming from outside the segment, such as from wireless substitution, cable modems and Voice Over IP – or Internet telephone service.

The company is working to combat these competitive threats by providing various packages of services often referred to as "bundles." The DSL combination I just mentioned is an example of this kind of bundled service. Bundled services offer customers increased convenience and the opportunity to

customize the services they receive, which in turn fosters customer loyalty.

Another example of a bundled option is TDS Telecom's Total Talk - an offering that includes local, long distance, Internet and various add-on features. Customer response to the Total Talk product has been very encouraging so far.

Other bundled options being offered include dial-up Internet service, local and long distance, and as mentioned, various DSL combinations. We are planning to offer larger minute plans as part of these bundles.

Long distance is another good story for TDS Telecom, as customer demand remains strong for the service. The company continues to work for greater penetration of the long-distance market, through effective cross-selling and by offering big-minute plans.

TDS is addressing cable competition with a satellite entertainment package it offers through its long-standing relationship with DISH Network. TDS Telecom's approach here is also very targeted. It promotes this product along with TDS Internet services in most markets, including those 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. TDS Telecom had 25,000 DISH customers at the end of 2003, and that number continues to grow.

Another initiative is TDS Accelerator, an add-on to the TDS ISP product the company introduced last year. Designed for customers who are interested in a high-speed connection but not ready to purchase DSL, the product increases download speeds up to five times but is less expensive than DSL. The take rate for this high-speed alternative has been good, with only limited marketing costs. TDS Accelerator is an example of how we are diversifying our high-speed data offerings, not limiting them to only DSL.

Part of our strategy is also to offer other high-speed data products and services that enable customers to experience the "always on" high-speed connection so many customers want. We will continue to develop variations of the high-speed data theme.

TDS Telecom is also actively considering VOIP and other new technologies such as fiber-to-the-premises. The company is planning to conduct a couple of technical trials for VOIP to better understand the merits of the technology in our markets. TDS Telecom is also assessing the fiber-to-the-premises technology. With the adoption of fiber-optic standards by the RBOCs – Regional Bell Operating Companies -- we believe that the economics of FTTP will improve over time. We expect to deploy fiber-to-the-home as the technology of choice in some new large subdivisions, since the cost to install fiber for new construction is not significantly higher than copper.

SLIDE 15 **TDS TELECOM FIRST-QUARTER HIGHLIGHTS**

Moving now to TDS Telecom's operating results for the first quarter, both the ILEC and the CLEC posted solid, consistent results.

Total operating revenues increased slightly, aided by a 4% increase in CLEC revenues. ILEC revenues were essentially flat, a result of fewer physical access lines, reduced access rates and slightly lower revenues from the Universal Service Fund. However, the ILEC saw increased year-over-year

penetration of its long-distance service as well as a 113% increase in DSL customers during the quarter.

TDS Telecom's total first-quarter operating income grew 12% year over year due to very effective expense control.

And although access line growth at the ILEC is slower than in the past, unlike many of the RBOCs, which saw declines in access lines, TDS Telecom's equivalent access lines grew for both its ILEC and CLEC operations – 1.2% for the ILEC and 25% for the CLEC year over year.

SLIDE 16 **TDS 2004 OUTLOOK**

Turning now to TDS Telecom's full-year guidance, revenues are expected to fall in the range of $640 to $650 million for the ILEC. For the CLEC, revenues should approximate $250 to $260 million. Capital spending is targeted to be approximately $105 million at the ILEC and $45 million at the CLEC.

Operating income at the ILEC should be in a range of $160 to $180 million while the operating losses at the CLEC should continue to decline.

SLIDE 17 **TDS FINANCIAL OBJECTIVES**

Let me briefly highlight here our overall financial objectives at TDS. Our ultimate goal is to generate profitable growth and build shareholder value, while maintaining financial strength and liquidity.

Toward that goal, we have four objectives. First we want to grow revenues consistent with or greater than the growth rate of the telecommunications markets we serve. Our target is 10 to 15 percent compound annual revenue growth over five years, an aggressive objective in this day and age.

But profitable growth involves more than simply accomplishing our revenue-growth objectives. 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. All of our businesses are committed to making steady progress toward achieving this goal.

Another financial objective is generating 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 solid operating performance, increased dividend and the stock repurchase program attest. In 2003, TDS share price increased 35% while U.S. Cellular's share price was up 42%, exceeding the performance of the S&P 500.

SLIDE 18 **DEBT RATINGS**

And finally, we are committed to maintaining our strong credit ratings. Both TDS and US Cellular are several levels above the investment grade threshold.

In an effort to maintain our investment-grade rating, last year TDS redeemed $71 million of its medium-term notes and all of its $300 million Trust Originated Preferred Securities, or TOPrS – a form of long-term obligation. This eliminated $31 million in annual interest.

SLIDE 19 **STOCK REPURCHASE**

Moving to our stock repurchase plan, last year 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.

At the end of 2003, TDS had repurchased nearly 2 million shares. During the first quarter we repurchased an additional 40,300 shares. We plan to continue the program in 2004, depending on market conditions, as part of our commitment to improve shareholder returns.

SLIDE 20 **TDS: EXCELLENT PROSPECTS**

Going forward, we are very confident that we have positioned TDS to capitalize on the economic recovery in the U.S., and we are encouraged by the prospects of some consolidation within the wireless segment of the industry, which we believe is a positive step for the industry overall.

In terms of TDS, both of our business units have disciplined targeted strategies which they are executing well. Everyone at TDS is focused on profitable growth and long-term value creation. We're strong financially and we have very capable, committed employees. We see that as a truly winning combination, and that is why we are excited about TDS's prospects for the future.

And now, I'd be happy to answer any questions you may have.

SLIDE 21 **RECON. OF ADDITIONAL DISCLOSURES**

SLIDE 22 **TITLE SLIDE (END)**