



Barclays Capital
Worldwide Wireless and Wireline
Conference

May 28, 2009



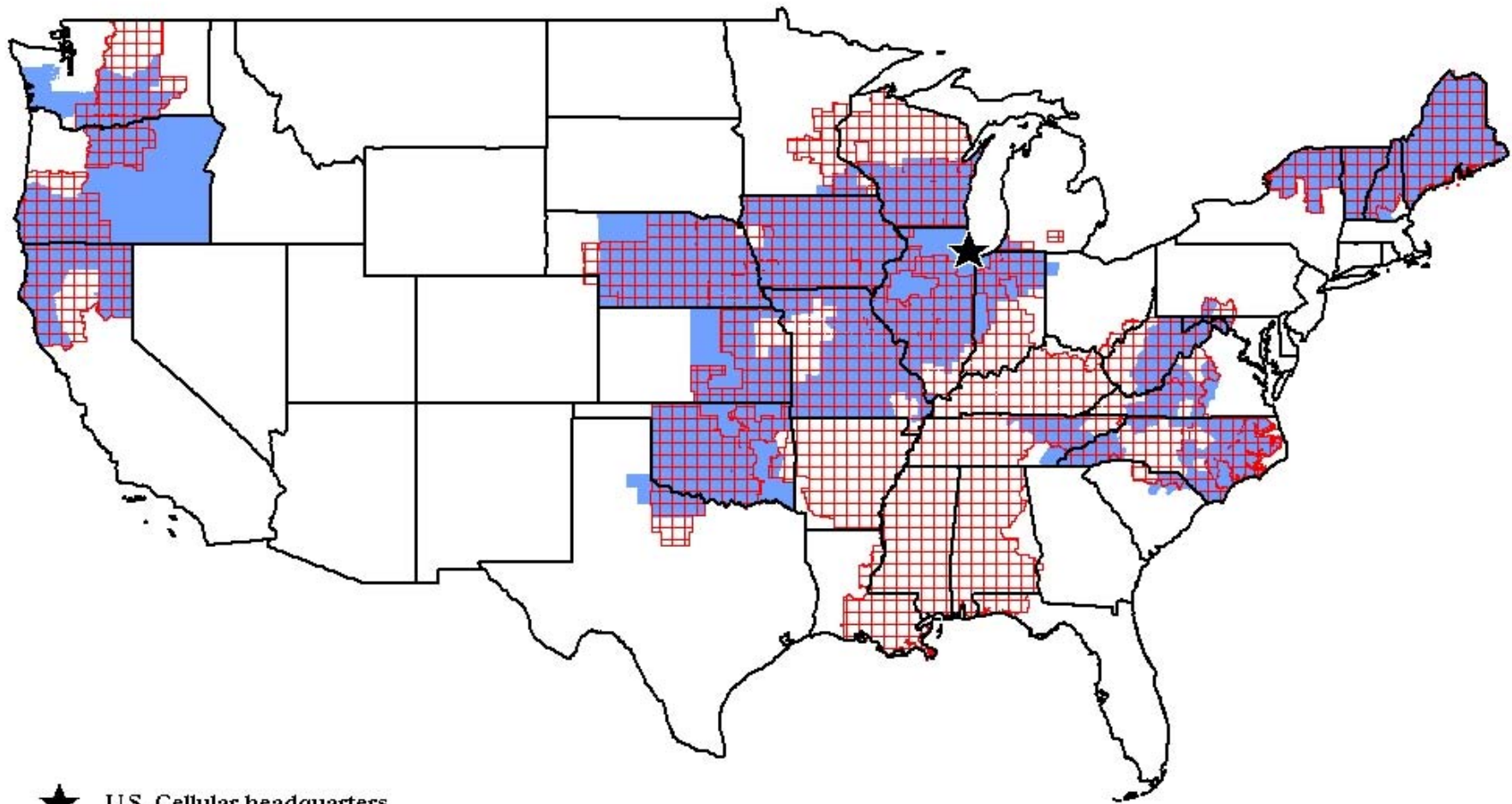
Steven T. Campbell
Executive Vice President and CFO
U.S. Cellular®

Barclays Capital
May 28, 2009

Safe Harbor

Safe Harbor Statement Under the Private Securities Litigation

Reform Act of 1995: All information set forth in this presentation, except historical and factual information, represents forward-looking statements. This includes all statements about the company's plans, beliefs, estimates and expectations. These statements are based on current estimates, projections and assumptions, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Important factors that may affect these forward-looking statements include, but are not limited to: The ability of U.S. Cellular to successfully grow its markets; the current credit crisis affecting financial markets, and its effects on the overall economy; competition; the access to and pricing of unbundled network elements; the ability to obtain or maintain roaming arrangements with other carriers; the state and federal telecommunications regulatory environment; the value of assets and investments; adverse changes in the ratings afforded TDS and U.S. Cellular debt securities by accredited ratings organizations; industry consolidation; advances in telecommunications technology; uncertainty of access to the capital markets; pending and future litigation; changes in income tax rates, laws, regulations or rulings; acquisitions/divestitures of properties and/or licenses; and changes in customer growth rates, average monthly revenue per unit, churn rates, roaming revenue and terms, the availability of handset devices, or the mix of products and services offered by U.S. Cellular and TDS Telecom. Investors are encouraged to consider these and other risks and uncertainties that are discussed in documents furnished to the SEC.



★ U.S. Cellular headquarters

■ Licenses currently operated by U.S. Cellular

■ Licenses owned or won in auction by limited partnerships in which U.S. Cellular is a limited partner

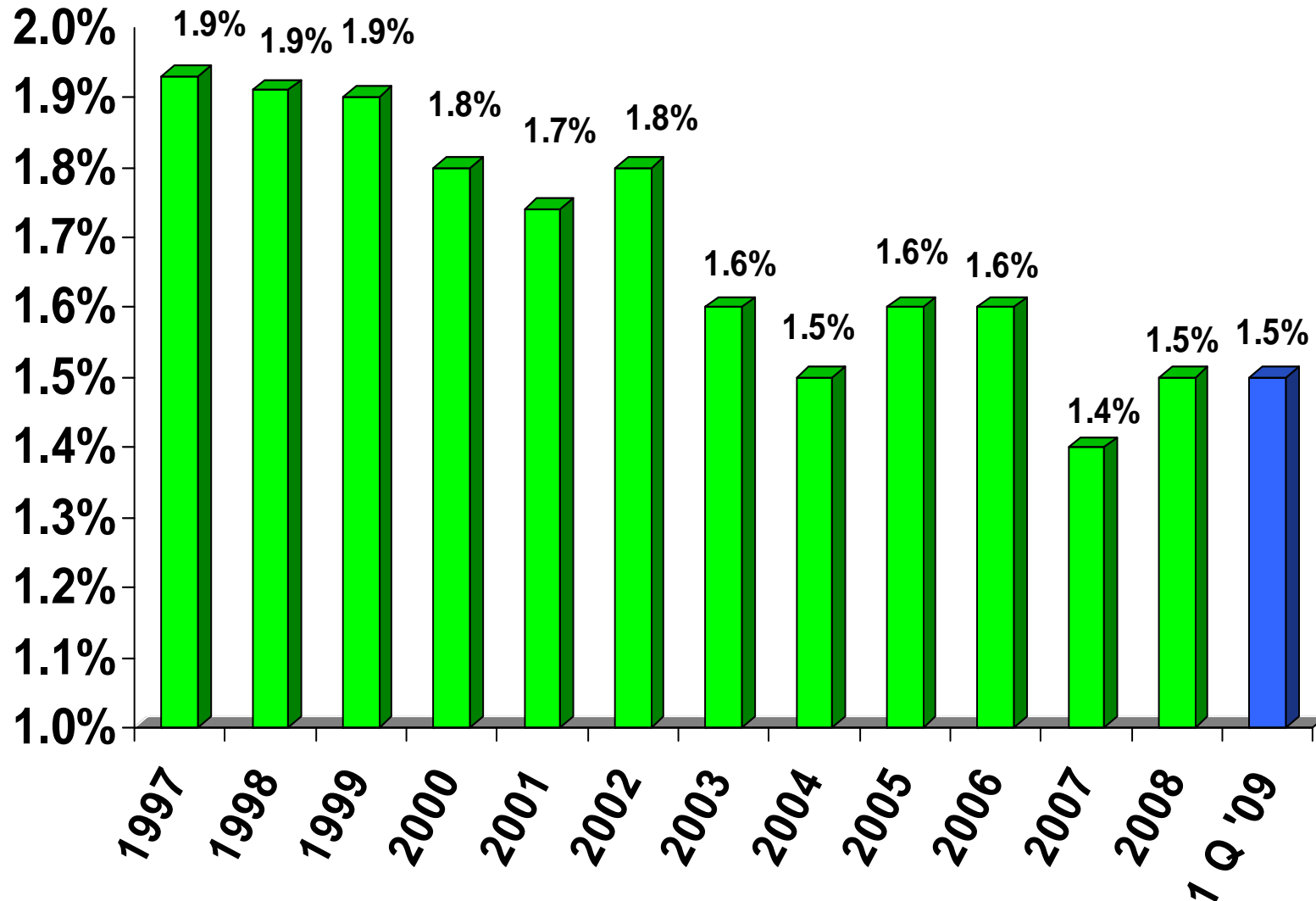
U.S. Cellular[®] Growth Strategies

- Focus on the postpay customer
- Differentiate with high customer satisfaction:
 - Quality network
 - Broad distribution
 - Excellent customer service
- National, wide-area and family plans
- Competitive products and data offerings
- Strategically strengthen competitive footprint

Postpay Churn < 2%



12- year track record... and still strong



Network Quality and Awards

- Won seventh consecutive J.D. Power and Associates Award for Call Quality in the North Central Region in the first quarter
- Added 490 cell sites to enhance coverage and capacity



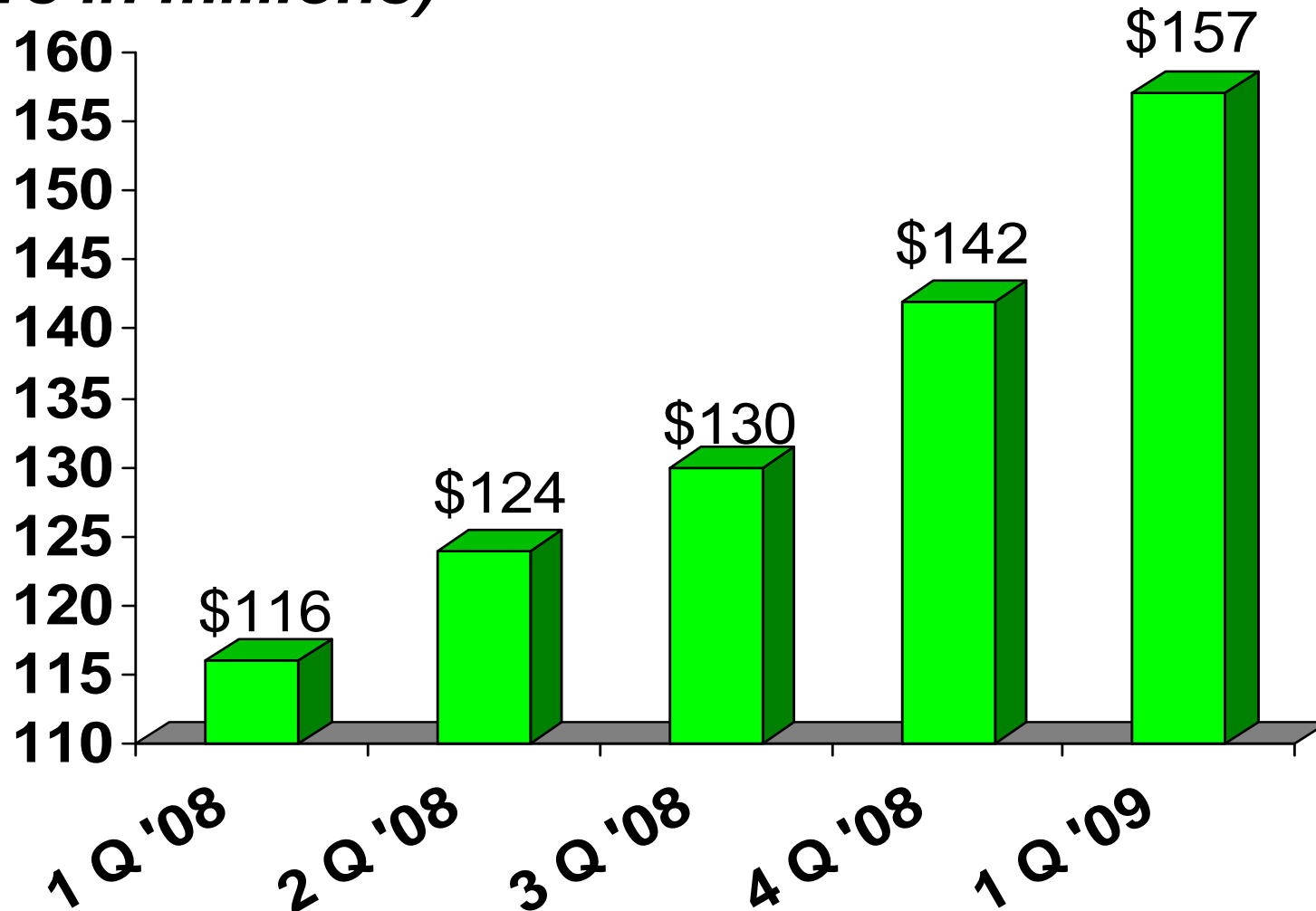
First Quarter 2009



	Q1 '09	Q1 '08	
Service revenues	\$ 982 M	\$ 962 M	+ 2%
ARPU	\$ 52.54	\$ 52.24	+ 1%
Data revenues	\$ 157 M	\$ 116 M	+35%
Net retail adds	63,000	85,000	
Churn–postpay	1.5%	1.4%	

Strong Data Revenue Growth

(Dollars in millions)



Technology

- Today 23 percent cell sites covered by EVDO 3G
- Expect 60 percent of cell sites and 75 percent of customers covered by year-end
- Working on LTE standards and monitoring developments

ARPU



* Includes reduced roaming revenue due to VZ/AT acquisition

Initiatives: 2009 & Beyond

- Develop deeper and more customized relationships at every touch point with customer relationship management and electronic data warehouse systems
- Drive online sales and engagement and support online account management by enhancing uscellular.com
- Provide faster service and access to products with unified billing system
- Introduce products and services more quickly by improving product development capabilities
- Automate inventory process with handset logistics system
- Develop closer customer relationships by building on brand promise¹²

U.S. Cellular[®] 2009



Guidance *(as of May 6, 2009)*

Net retail customer additions	75,000 - 150,000
Service revenues	\$3.9 - 4.0 billion
Operating income	\$275 - 350 million
Depreciation, amortization, and accretion	Approx. \$600 million
Capital expenditures	Approx. \$575 million

Going Forward



- Continue to offer high-demand products and services, strong network quality, and excellent customer service
- Maintain strong lineup of data products and services
- More robust prepaid product
- Offer competitive wireless solutions for small-to-medium-sized businesses
- Continuously improve the efficiency and effectiveness of our organization

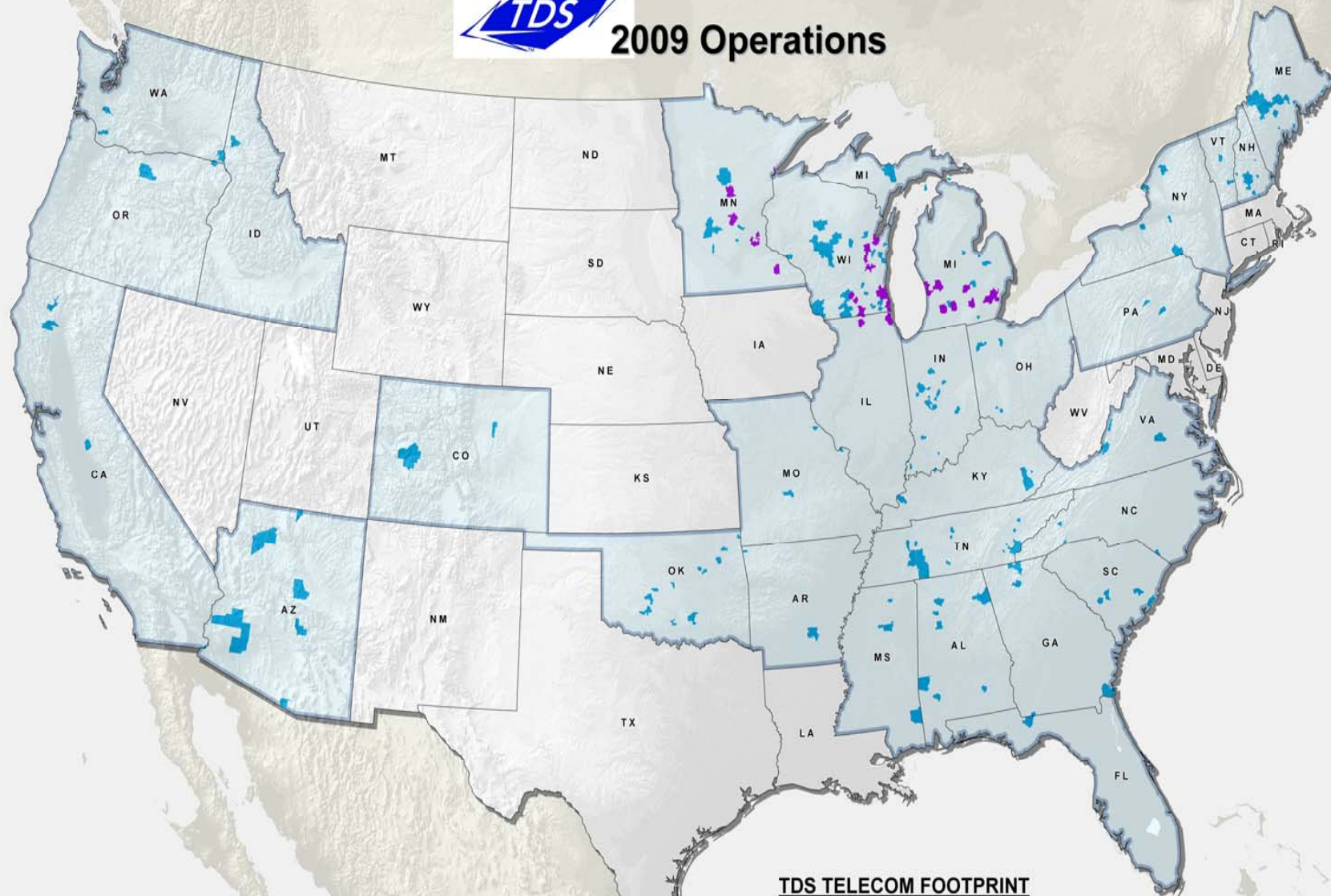


Mark A. Steinkrauss
Vice President, Corporate Relations
TDS™

Barclays Capital
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2009 Operations



TDS TELECOM FOOTPRINT

- ILEC
- CLEC



TDS Telecom®

- 8th largest local exchange company
- 1.2 million equivalent access lines, rural and small town
- ILEC primarily residential (76%)
- CLEC primarily small-medium business (76%)

TDS Telecom[®] Strategy



- Be the preferred broadband provider in its markets ...aggressively deploy advanced network
- Bundle aggressively – the bigger the bundle, the lower the churn
- Provide outstanding customer satisfaction
- Increased focus on small-medium business market
- Focus on efficiency, cost control and process improvement to generate profitable growth

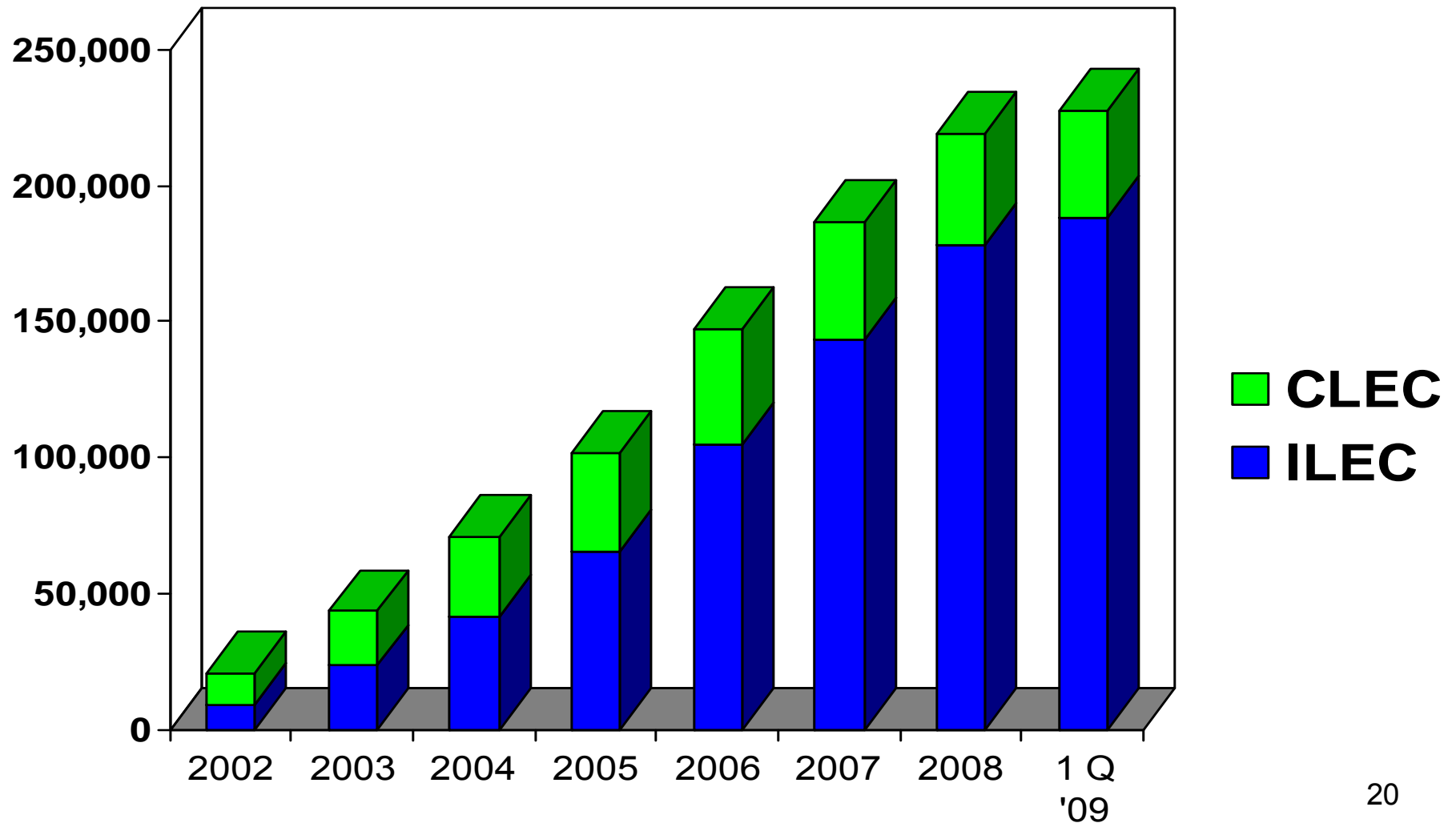


Bundling Reduces Churn

Voice churn	1.6%
Voice + HSD churn	1.3%
Voice + DISH churn	0.9%
Triple play	0.6%



Growth in High-Speed Data



TDS Telecom® Initiatives



- Grow high-speed data customers and revenue and triple play
- 10G regional fiber transport network
 - provides more capacity, lower costs, and enhanced reliability through redundancy;
 - allows company to roll out new services quickly
- Roll out *managed*IP



*managed*IP

- Full integration of voice and data
- Rich call management features
- Reliability... carrier-grade failover capability
- No upfront CAPX... pay as you go
- No obsolescence
- Well-received by small medium businesses



ILEC Clustered Acquisitions

		<u>Price</u>	<u>Equiv. Access Lines</u>	<u>DSL</u>
11/30/08	State Long Distance Co. (Wisc)	\$27 M	11,500	2,200
5/31/08	Mosinee Tel Co. (Wisc)	\$17.4 M	5,800	1,200
2/13/08	West Point Tel. Co. (Indiana)	\$6.8 M *	1,100	300

* Includes some wireless assets and cash



First Quarter 2009

	Q1 '09	Q1 '08	
Operating revenues	\$ 199 M	\$ 206 M	(3%)
ILEC data revenues	\$ 25 M	\$ 21 M	+18%
ILEC high-speed data customers	188,100	155,000	+21%



TDS Telecom[®] 2009

Guidance *(as of May 6, 2009)*

(ILEC and CLEC combined)

Operating revenues	\$780 - 820 million
Operating income	\$100 - 130 million
Depreciation, amortization, and accretion	Approx. \$160 million
Capital expenditures	Approx. \$130 million



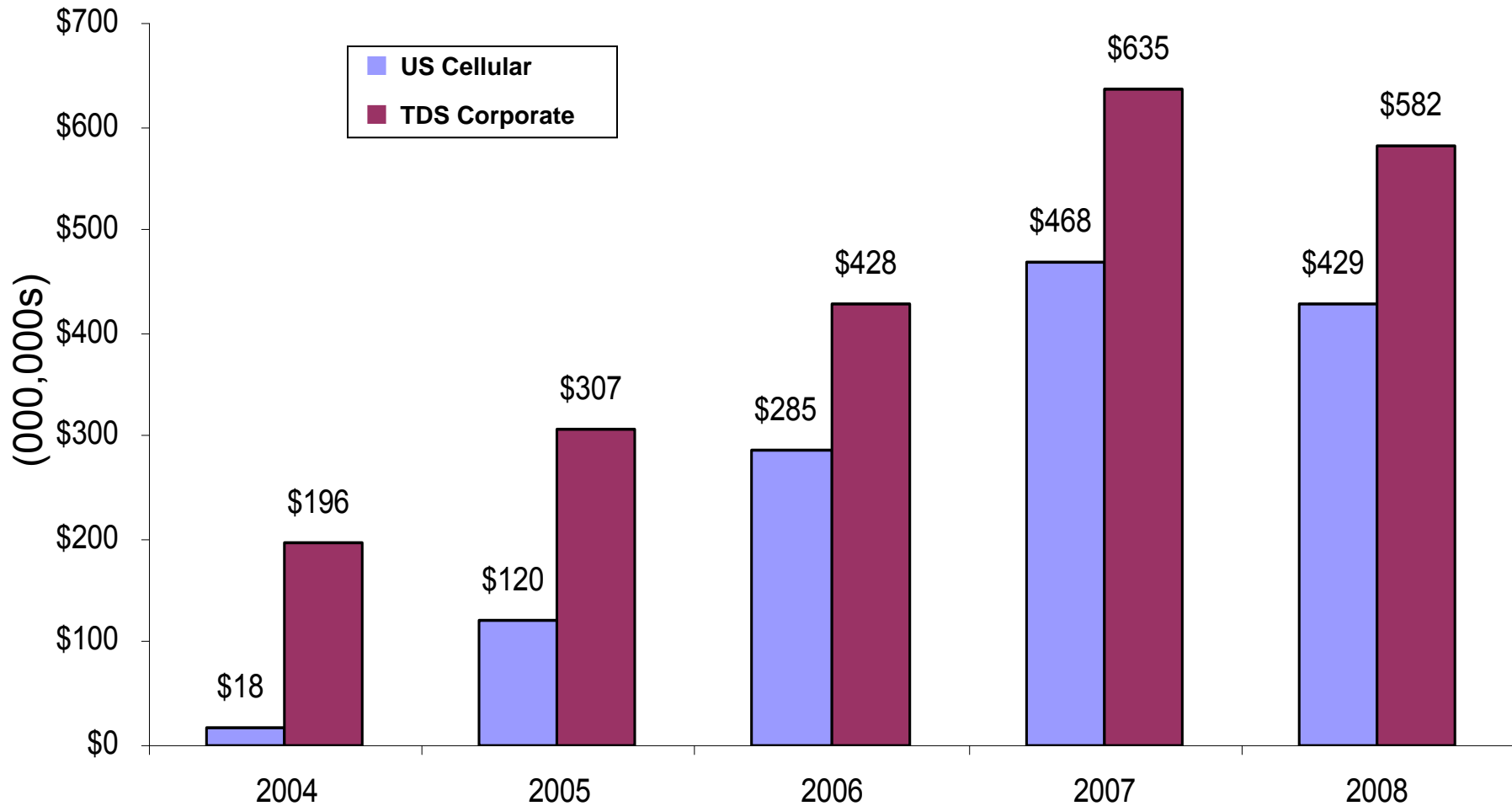
Liquidity

	<u>As of 3/31/09</u>
Cash and liquid investments	\$ 810.0 M
Available credit facilities	<u>1,321.3 M</u>
Total:	\$2,131.3 M

4,000 owned towers

Los Angeles minority position at USM

“Simple” Free Cash Flow*



* Operating Income plus Depreciation and Amortization
Less Capital Expenditures



Stock Repurchases

2008 \$250M Authorization

Used \$88M (\$162M remaining) as of 3/31/09 to repurchase:

- 1.6 million TDS special common shares
- 1.6 million TDS common shares

2007 \$250M Authorization

Completed October 2008

5,225,895 TDS special common shares



Investment-Grade Credit Ratings

	<u>TDS</u>	<u>USM</u>	<u>Outlook</u>
Moody's	Baa2	Baa2	Stable
Standard & Poor's	BBB-	BBB-	Positive
Fitch	BBB+	BBB+	Stable



Why Buy TDS™

- Compelling value - attractive valuation
- High quality, defensible businesses
- Proven track record
- Free cash flow-positive
- Strong balance sheet
- Buying stock

What we don't have

- Union representation (less than 1%)
- Unfunded pensions...defined contribution plans
- Off-balance sheet arrangements
- Foreign currency exchange exposure

TDS™: Excellent Prospects



- Financially strong
- Well-positioned in existing markets
- Strategies focused on network quality, customer service and competitive service offerings
- Experienced management teams
- A Fortune 500® company