



November 4, 2011

Third Quarter 2011 Results and 2011 Guidance





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Third Quarter 2011

- Unusual items
- Share Consolidation update
- Strong balance sheet



Regulatory Developments – Wireless

CAF Mobility Fund

- Phase 1 - One-time distribution of \$300 M in 2012
- Phase 2 - \$500 M per year beginning in 2013
- 20% annual stepdown in legacy support beginning July 2012
- Stepdown stops at 60% if Phase 2 not implemented by June 2014
- Potential benefit from reduced inter-carrier compensation rates over time



Regulatory Developments - Wireline

- Establishes basic framework, but leaves key questions to be answered in Further Notice of Proposed Rulemaking
- Extended adjustment period for rate-of-return carrier access rates
- Recovery mechanism to replace much of lost access revenue and provide stability and predictability
- Provisions to address “phantom traffic” and “access stimulation”
- Some adjustments to existing USF programs
- Reviewing interstate authorized rate of return



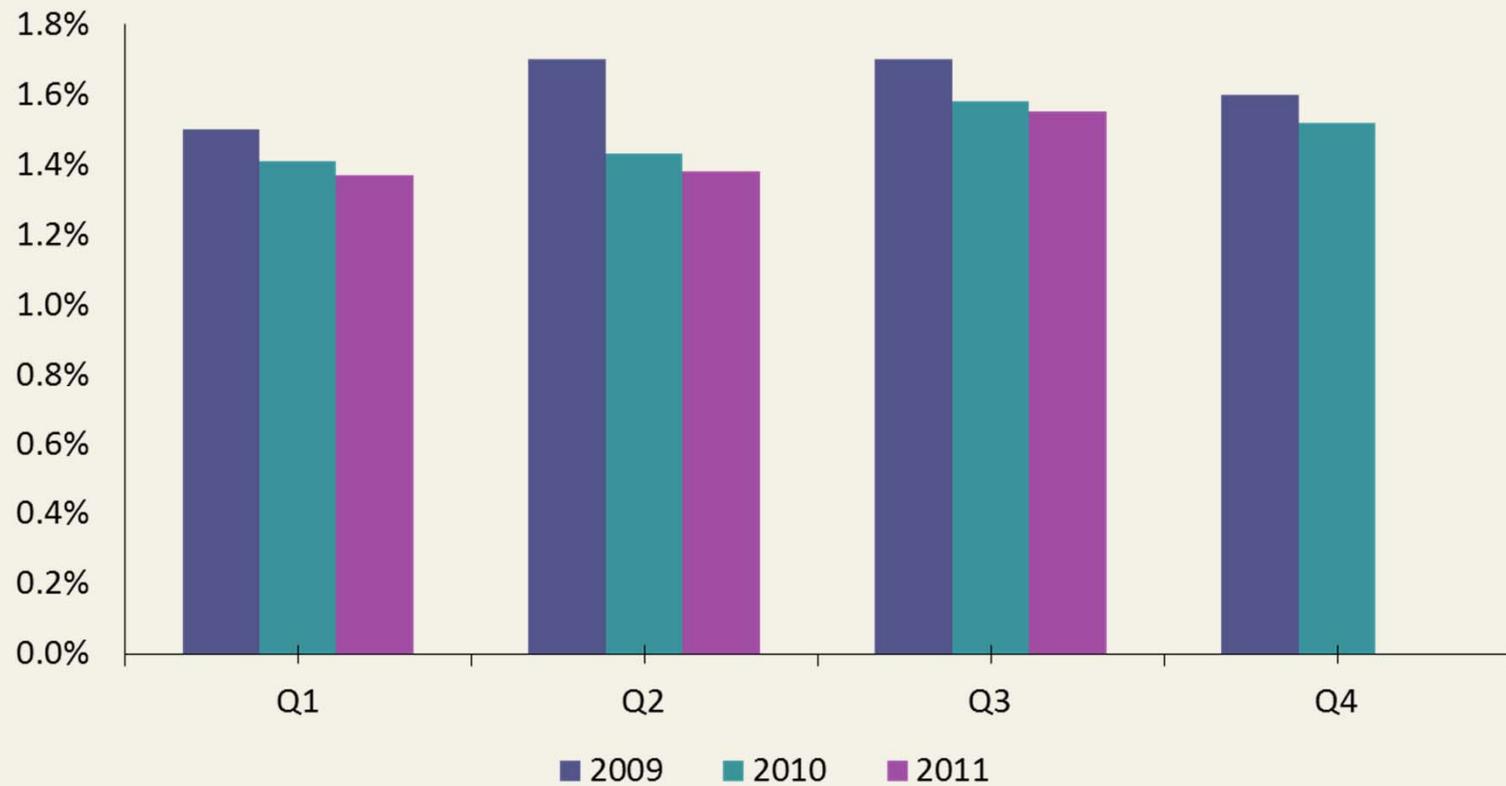
Q3 2011 Highlights

- Increased profitability
 - ARPU growth
 - Increased smartphone penetration
 - Nearly 2.8 million Belief Plan customers
 - Improved churn; strong overall satisfaction scores
 - Higher inbound roaming revenue
 - Cost reductions
- Gross additions still challenging
 - Targeted advertising and marketing
- Wave 1 LTE network nearly complete; 4G devices launch Q1

Customer Activity

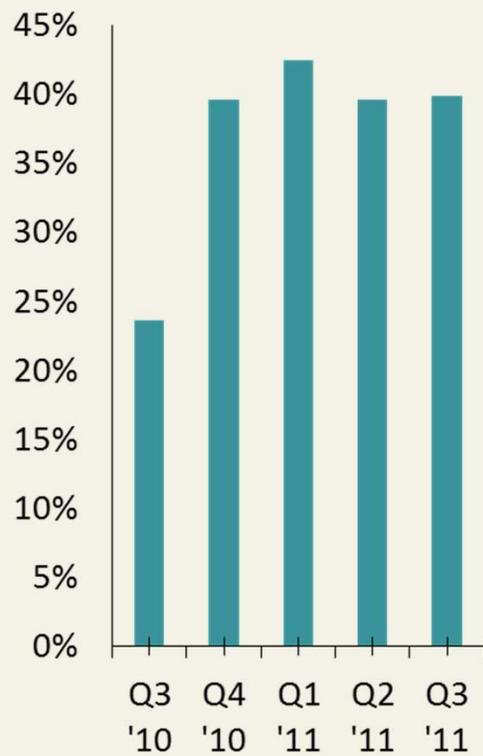
	Q3 '11	Q3 '10
Retail gross additions	284,000	301,000
Postpaid net additions (losses)	(34,000)	(25,000)
Prepaid net additions	11,000	-----
Retail net additions (losses)	(23,000)	(25,000)
Total customers	5,932,000	6,103,000

Postpaid Churn Rate

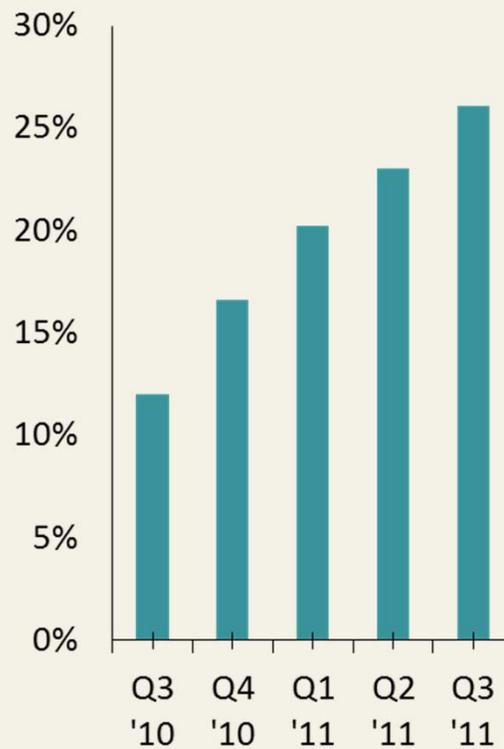


Smartphone Penetration

**Smartphones Sold
(% of total devices)**



**Smartphone Customers
(% of postpaid base)**



**Postpaid Average Monthly
Revenue Per Customer**



Financial Performance

(\$ in millions)	Q3 '11	Q3 '10
Service revenues	\$1,036.6	\$ 983.5
Roaming	107.8	72.9
ETC	42.7	30.7
System operations expense	241.9	218.0
Loss on equipment	119.7	112.0
SG&A expenses	441.5	446.9
Adjusted OIBDA ⁽¹⁾	\$ 233.6	\$ 206.5

(1) Adjusted OIBDA is defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the net gain or loss on asset disposals (if any); and the loss on impairment of assets (if any). This measure also may be commonly referred to by management as operating cash flow. This measure should not be confused with cash flows from operating activities, which is a component of the consolidated statement of cash flows. Non-GAAP reconciliation at end of presentation.



Financial Performance – continued

(\$ in millions, except per share amounts)	Q3 '11	Q3 '10
Total investment and other income	\$ 11.2	\$ 8.5
Net income attributable to U.S. Cellular shareholders	62.1	38.3
Diluted earnings per share attributable to U.S. Cellular shareholders	\$0.73	\$0.44
Cash flow from operating activities	354.2	180.3
Less: Capital expenditures	248.0	124.7
Free cash flow ⁽¹⁾	\$106.2	\$ 55.6

⁽¹⁾ Free cash flow is defined as cash flows from operating activities minus capital expenditures. Free cash flow is a non-GAAP financial measure. U.S. Cellular believes that free cash flow as reported by U.S. Cellular is useful to investors and other users of its financial information in evaluating the amount of cash generated by business operations, after consideration of capital expenditures.



2011 Guidance – as of 11/4/11

Service revenues	\$4,000 - \$4,100 million
Operating income ⁽¹⁾⁽²⁾	\$230 - \$305 million
Depreciation, amortization and accretion expenses, and losses on asset disposals and impairment of assets ⁽¹⁾	Approx. \$590 million
Adjusted OIBDA ⁽¹⁾⁽³⁾	\$820 - \$895 million
Capital expenditures ⁽²⁾	\$750 - \$800 million

(1) The 2011 estimated results do not include any estimate for losses on impairment of assets since these cannot be predicted.

(2) This guidance is based on U.S. Cellular's current operations, which include a multi-year deployment of Long-term Evolution ("LTE") technology commencing in 2011. As customer demand for data services increases, and competitive conditions in the wireless industry evolve, such as the rate of deployment of LTE technology by other carriers, the timing of U.S. Cellular's deployment of LTE and the timing of other capital expenditures could change. These factors could affect U.S. Cellular's estimated capital expenditures and operating expenses in 2011.

(3) Adjusted OIBDA is defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the net gain or loss on asset disposals (if any); and the loss on impairment of assets (if any). This measure also may be commonly referred to by management as operating cash flow. This measure should not be confused with cash flows from operating activities, which is a component of the consolidated statement of cash flows.





Q3 2011 Highlights

- ILEC data revenue growth
 - HMS acquisitions
- Customer acquisition and retention programs
 - Bundling keeps churn low
 - Promotions
- Cost control initiatives



TDS Telecom Revenues

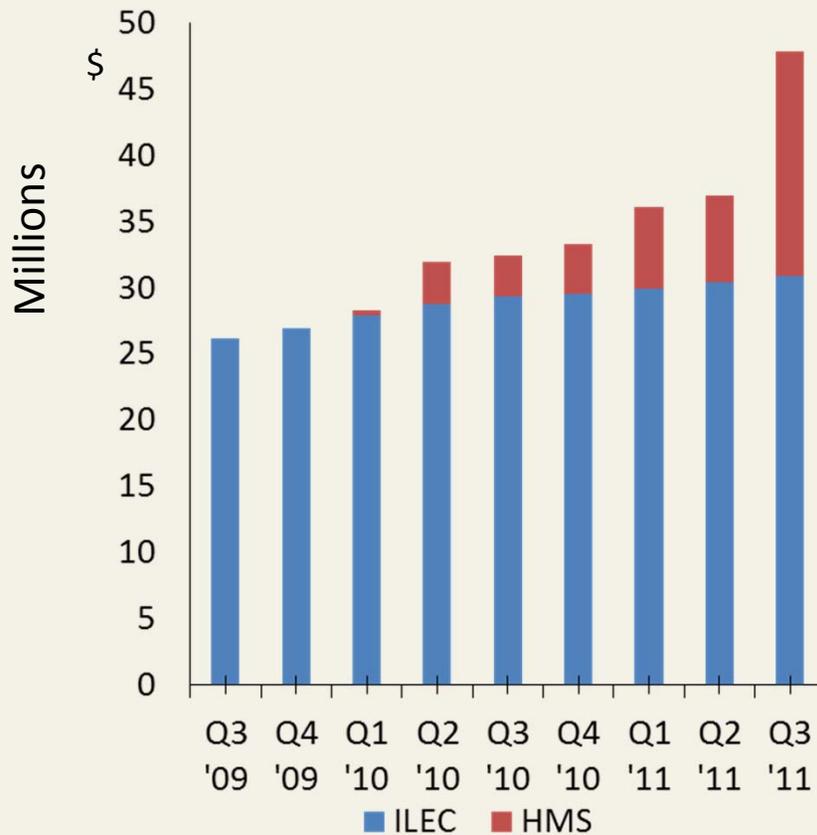
(\$ in millions)	Q3 '11	Q3 '10	Change
ILEC	\$168.3	\$157.4	7%
CLEC	45.0	47.0	(4%)
Total ⁽¹⁾	\$210.8	\$202.0	4%

(1) Reflects intercompany eliminations

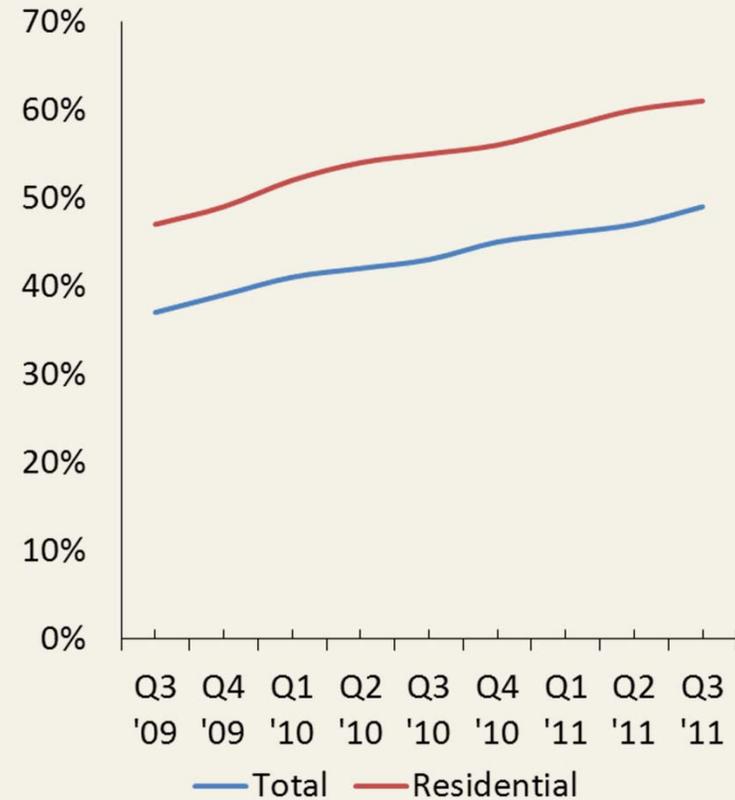


ILEC Data Growth

Data Revenues

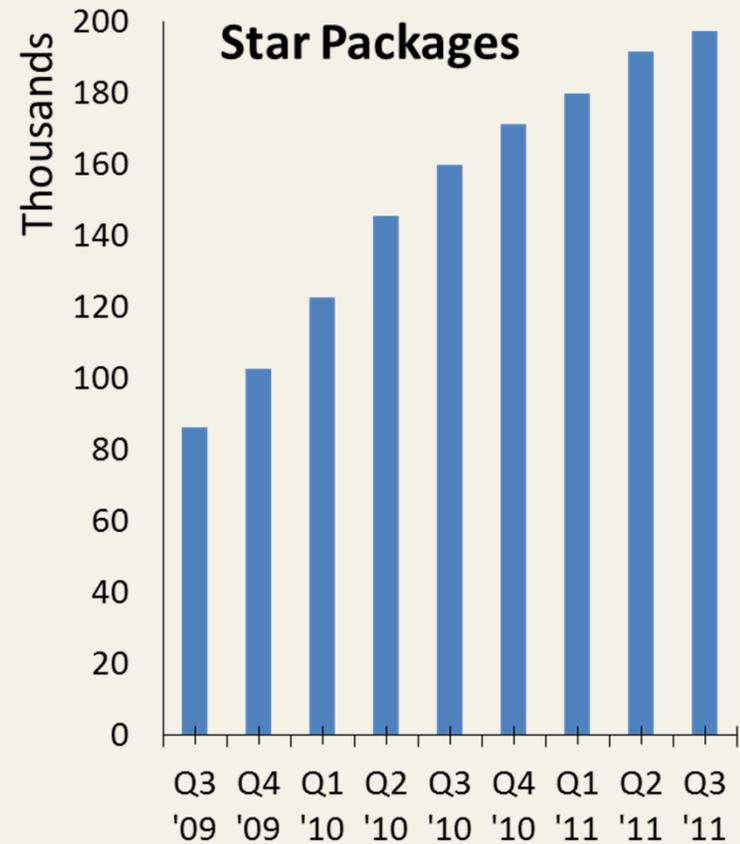
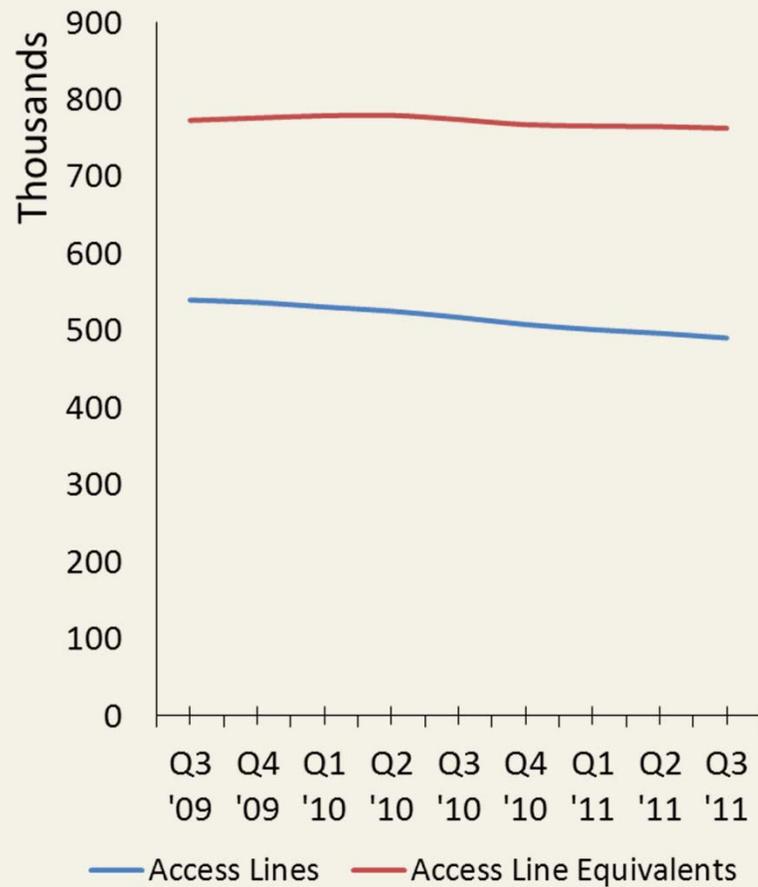


Penetration of High-Speed Data





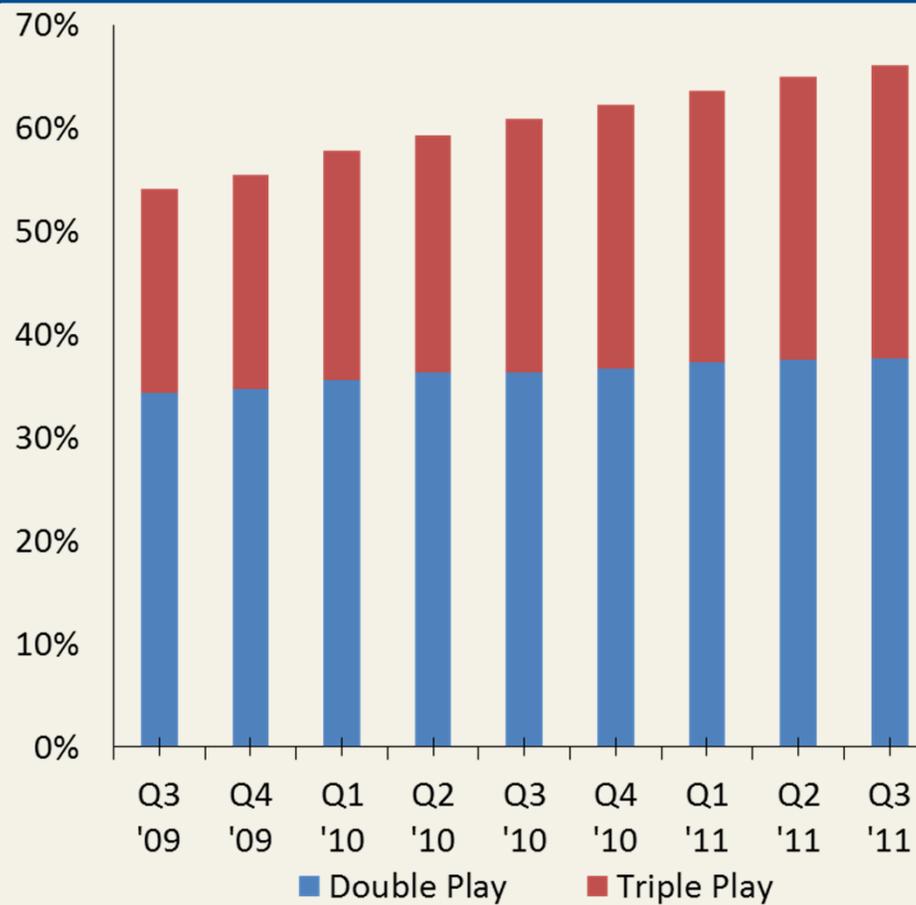
Customer Activity: Voice





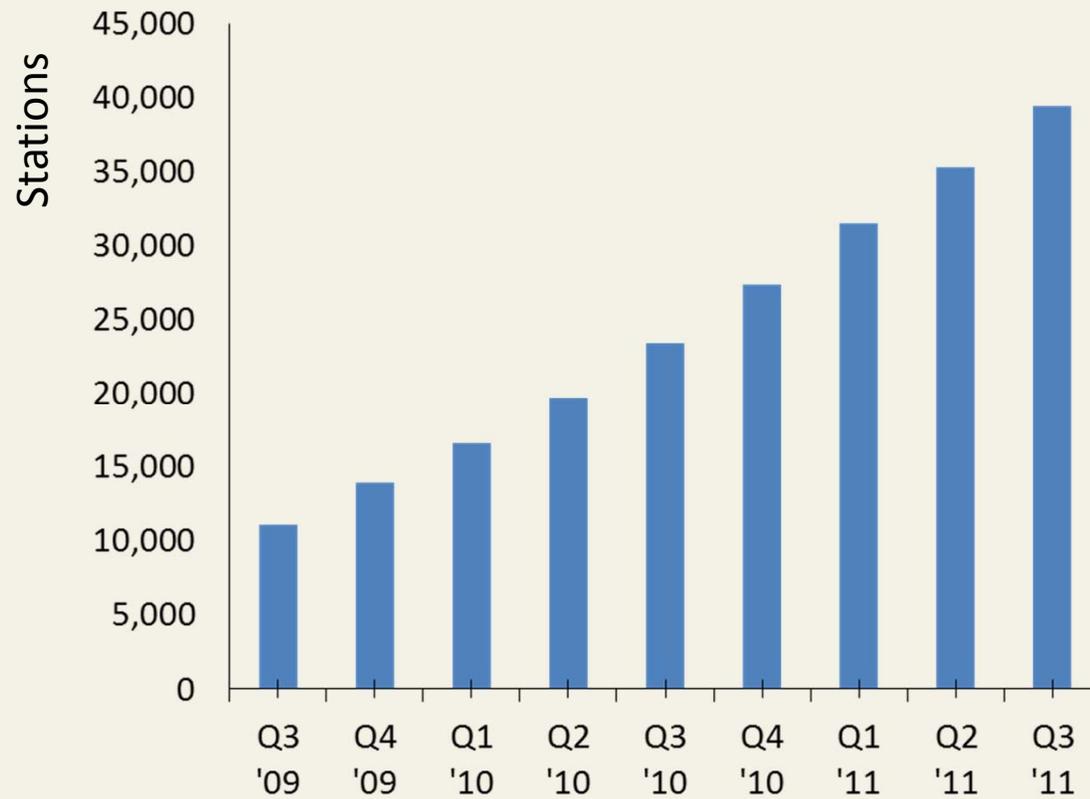
Penetration of Bundled Plans

(As a percent of ILEC residential customers)





managedIP Growth





Financial Performance

(\$ in millions)	Q3 '11	Q3 '10	Change
Revenues	\$210.8	\$202.0	4%
Cash expenses	139.6	133.4	5%
Adjusted OIBDA ⁽¹⁾	\$71.2	\$68.6	4%

(1) Adjusted OIBDA is defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the net gain or loss on asset disposals (if any); and the loss on impairment of assets (if any). This measure also may be commonly referred to by management as operating cash flow. This measure should not be confused with cash flows from operating activities, which is a component of the consolidated statement of cash flows. Non-GAAP reconciliation at end of presentation.



Hosted and Managed Services Offerings Leverage Strengths

- Expertise in network management and transport
- High-reliability service culture
- Deep customer relationships and local presence in our operating markets



2011 Guidance (ILEC/CLEC) – as of 11/4/11

Operating revenues	\$800 - \$830 million
Operating income ⁽¹⁾	\$85 - \$115 million
Depreciation, amortization and accretion expenses, and losses on asset disposals and impairment of assets ⁽¹⁾	Approx. \$185 million
Adjusted OIBDA ⁽²⁾	\$270 - \$300 million
Capital expenditures ⁽³⁾	\$175 - \$200 million

(1) The 2011 Estimated Results do not include any estimate for losses on impairment of assets since these cannot be predicted.

(2) Adjusted OIBDA is defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the net gain or loss on asset disposals (if any); and the loss on impairment of assets (if any). This measure also may be commonly referred to by management as operating cash flow. This measure should not be confused with cash flows from operating activities, which is a component of the consolidated statement of cash flows.

(3) The capital expenditure guidance does not include federal grants of \$105.1 million awarded to TDS Telecom through the Broadband Stimulus program under the American Recovery and Reinvestment Act for 44 projects to be completed between 2011 to 2013.



OIBDA Reconciliation

Three Months Ended September 30, 2011	U.S. Cellular	TDS Telecom (1)	All Other (2)	Consolidated Total
Operating revenues	\$ 1,110,439	\$ 210,806	\$ 4,178	\$ 1,325,423
Deduct:				
U.S. Cellular equipment sales revenue	73,830			
Service revenues	1,036,609			
Operating income (loss)	101,620	25,186	118	126,924
Add (Deduct):				
Depreciation, amortization and accretion	141,664	45,682	2,693	190,039
Loss on impairment of intangible assets	—	—	—	—
(Gain) loss on asset disposals and exchanges	(9,700)	337	12	(9,351)
Adjusted OIBDA (3)	\$ 233,584	\$ 71,205	\$ 2,823	\$ 307,612

Three Months Ended September 30, 2010	U.S. Cellular	TDS Telecom (1)	All Other (2)	Consolidated Total
Operating revenues	\$ 1,060,781	\$ 202,030	\$ 3,605	\$ 1,266,416
Deduct:				
U.S. Cellular equipment sales revenue	77,278			
Service revenues	983,503			
Operating income (loss)	61,359	24,583	(1,255)	84,687
Add (Deduct):				
Depreciation, amortization and accretion	143,191	43,645	2,610	189,446
Loss on impairment of intangible assets	—	—	—	—
(Gain) loss on asset disposals and exchanges	1,981	390	7	2,378
Adjusted OIBDA (3)	\$ 206,531	\$ 68,618	\$ 1,362	\$ 276,511

- (1) Includes ILEC and CLEC intercompany eliminations.
- (2) Consists of a non-reportable segment (Suttle-Straus), corporate operations and, intercompany eliminations between U.S. Cellular, TDS Telecom and corporate investments. Amounts in this column are presented only to reconcile to consolidated totals and may not otherwise be meaningful.
- (3) Adjusted OIBDA is a segment measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. Adjusted OIBDA is defined as Operating income excluding the effects of: Depreciation, amortization and accretion (OIBDA); the net gain or loss on asset disposals and exchanges (if any); and the loss on impairment of assets (if any). This measure also may be commonly referred to by management as operating cash flow. This measure should not be confused with Cash flows from operating activities, which is a component of the Consolidated Statement of Cash flows. Adjusted OIBDA excludes the net gain or loss on asset disposals and exchanges and loss on impairment of assets, if any, in order to show operating results on a more comparable basis from period to period. TDS does not intend to imply that any of such amounts that are excluded are non-recurring, infrequent or unusual, and accordingly, they may be incurred in the future. TDS believes this measure provides useful information to investors regarding TDS' financial condition and results of operations because it highlights certain key cash and non-cash items and their impacts on cash flows from operating activities.



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