



February 24, 2011

Fourth Quarter 2010 Results and 2011 Guidance





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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 overall economy; competition; the access to and pricing of unbundled network elements; 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; risks and uncertainties relating to possible future restatements; 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.



Upcoming Conferences

- 3/2/11 - Morgan Stanley Technology, Media & Telecom
- 3/7/11 - Credit Suisse Global Media & Communications
- 3/22/11 - CTIA
- 5/16/11 - J.P. Morgan Global Technology, Media and Telecom



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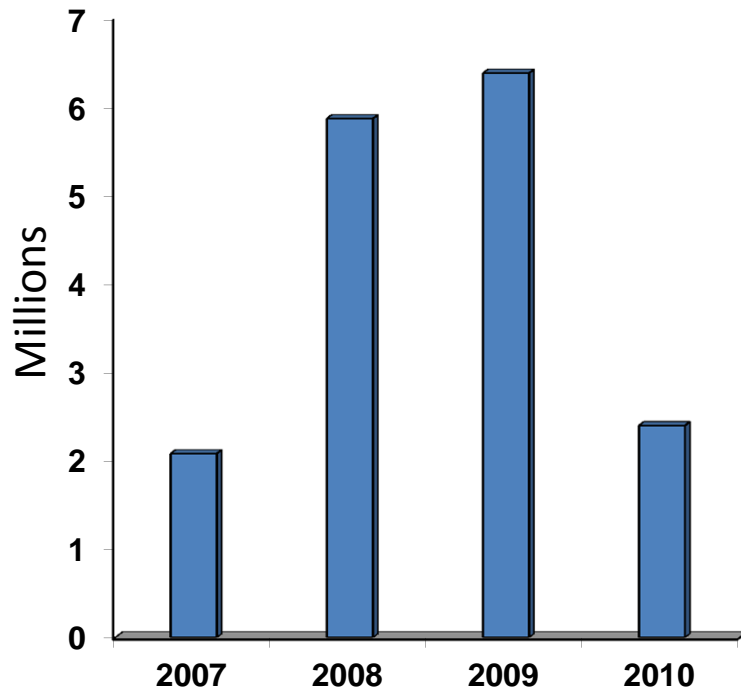
Fourth Quarter 2010

- Ongoing efforts to reduce interest expense
 - Issued \$225 M of 49-year debt at 6.875%
 - Redeemed \$217.5 M of 7.6% debt
- Replaced revolving credit facilities
 - Extended maturities
 - Lowered pricing
- Evaluation of ways to simplify capital structure
 - Focus on reducing TDS.S discount

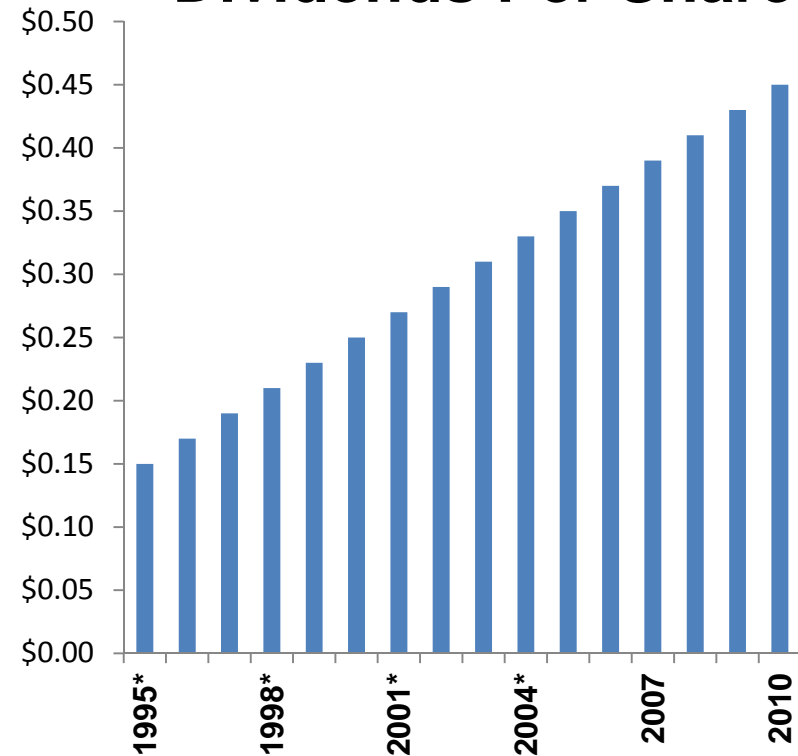


Returning Value to Shareholders

TDS Shares Repurchased (Common/Special Common)



Dividends Per Share



* Retroactively adjusted for the effect of the 2005 stock dividend.



Regulatory Developments

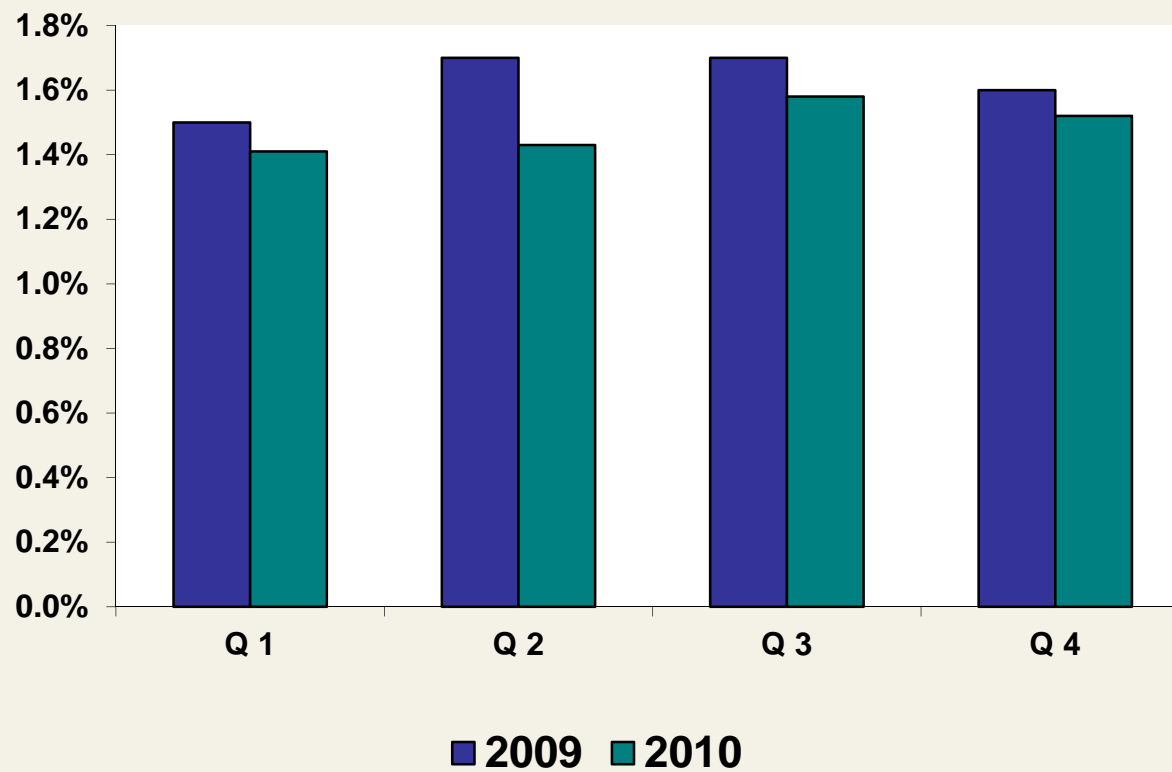
- **Net neutrality**
 - Ability for “reasonable network management”
 - Recognition of unique aspects of managing wireless networks
- **Universal Service Fund and Intercarrier Compensation Reform**
 - FCC recently issued NPRM
 - Risks and opportunities for both business units
 - Company will be actively engaged



Customer Activity

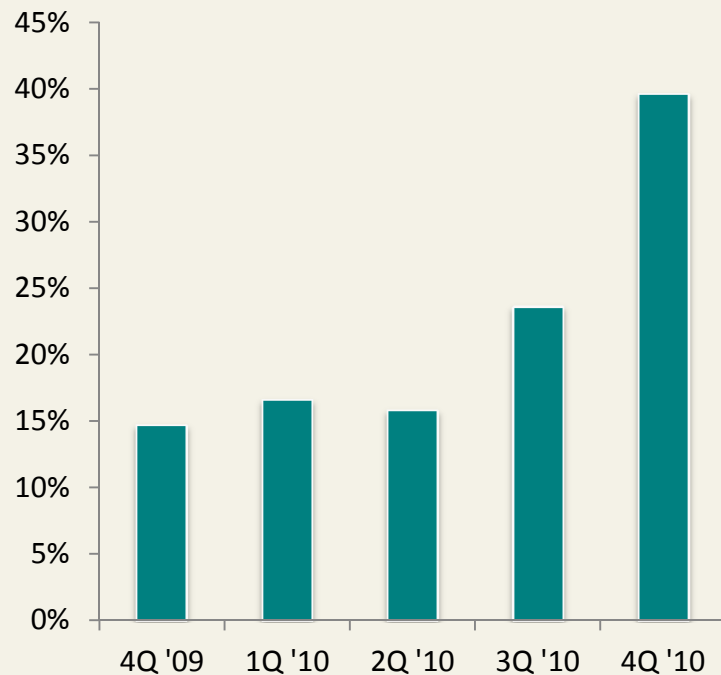
	Q4 '10	Q4 '09
Retail gross additions	292,000	354,000
Postpaid net additions	(10,000)	26,000
Prepaid net additions	(11,000)	13,000
Retail net additions	(21,000)	39,000
Total customers	6,072,000	6,141,000

Postpaid Churn Rate

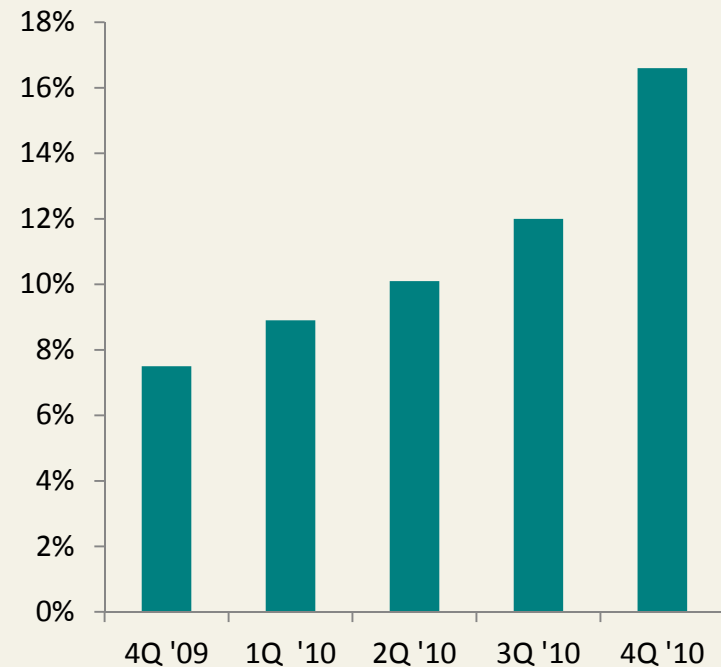


Growing Smartphone Penetration

Smartphones Sold (% of total devices sold)



Smartphone % of Customers (% of postpaid base)

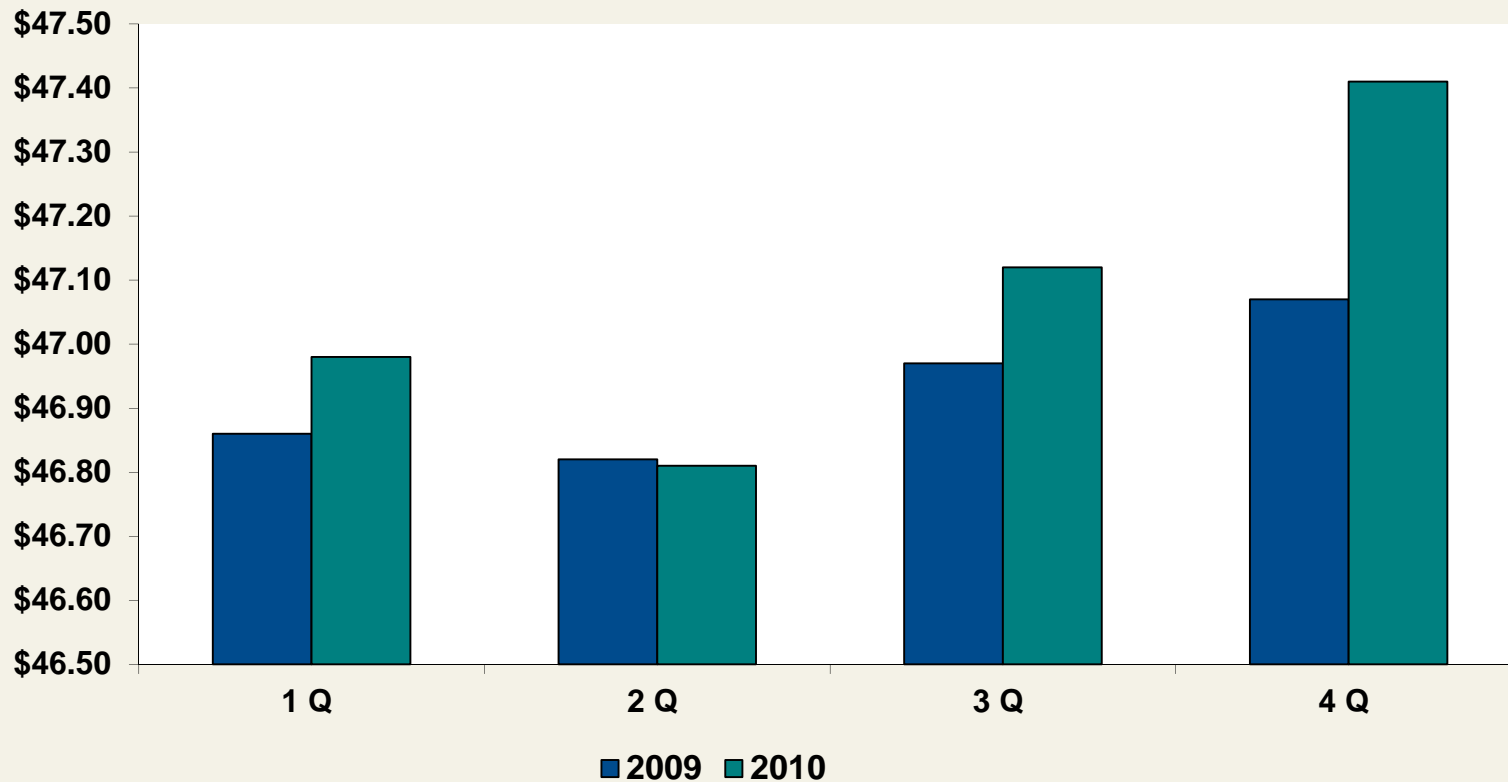


Financial Performance

(\$ in millions)	Q4 '10	Q4 '09
Service revenues	\$ 991.9	\$ 985.4
Roaming revenues	67.5	61.7
ETC	43.5	42.1
System operations	216.3	202.5
Loss on equipment	159.4	137.2
SG&A	474.9	473.1
Adjusted OIBDA (1)	\$ 141.4	\$ 172.5

(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 may also 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.

Average Retail Service Revenue Per Customer





Financial Performance

(\$ in millions, except per share amounts)	Q4 '10	Q4 '09
Equity in earnings of unconsolidated entities	\$ 22.9	\$ 23.6
Total investment and other income (expense)	11.4	5.6
Net income attributable to U.S. Cellular shareholders	6.8	6.6
Diluted earnings per share attributable to U.S. Cellular shareholders	\$0.08	\$0.08
Cash flow from operating activities	\$ 290.3	\$ 244.1
Capital expenditures	203.4	189.0
Free cash flow ⁽¹⁾	\$ 86.8	\$ 55.1

(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 may be useful to investors and other users of its financial information in evaluating the amount of cash generated by business operations, after capital expenditures.

2010 Accomplishments

- Successful CEO transition
- Launch of The Belief ProjectSM
- Device portfolio strengthened with Android[®] lineup
- Third-party validation:
 - Customer satisfaction
 - Network quality

Economic Outlook / Competitive Landscape

- No meaningful economic recovery built into outlook – job growth will be key
- Competition intense as available pool of “switchers” continues to shrink
- Challenges include pricing, device availability/subsidies and 4G “noise”

Strategy to Compete

- Strong customer-focused culture
- The Belief ProjectSM evolves; execution is critical
 - Drives results over time:
 - ✓ Customer acquisition growth
 - ✓ ARPU growth
 - ✓ Lower postpaid churn

Device Lineup for 2011

- Data penetration
 - Attractive/competitive smartphone lineup
- Plan to introduce
 - 24 devices
 - 13 smartphones
 - ✓ Android[®]
 - ✓ BlackBerry[®]
 - ✓ Windows[®]7



Keys to Improving Profitability

- Accelerating top-line growth
 - Roaming revenues
- Managing equipment subsidies
- Controlling expenses
- Project to reduce spending; increase efficiencies
- Continue spend on enablement initiatives

Network Evolution

- Priority for 2011 – prepare for flexibility to roll out LTE at desired pace
 - Complete all technical specifications
 - Select vendors
 - Necessary infrastructure prep
 - Device development

2011 Guidance – as of 2/24/11

Service revenues	\$4,000 - \$4,100 million
Adjusted OIBDA ⁽¹⁾	\$775 - \$875 million
Operating income	\$185 - \$285 million
Depreciation, amortization and accretion expenses, and losses on asset disposals and impairment of assets ⁽²⁾	Approx. \$590 million
Capital expenditures	Approx. \$650 million

- (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 may also 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.
- (2) Includes estimated losses on disposals of assets, but does not include an estimate for loss on impairment of assets, since this cannot be predicted.

2011 Strategic Priorities

- Accelerate growth
 - Build subscriber base
 - Continue to migrate customers to The Belief ProjectSM; increase ARPU
- Control/reduce costs
- Improve profitability
- Progress on enablement initiatives
- Network evolution to LTE (4G)





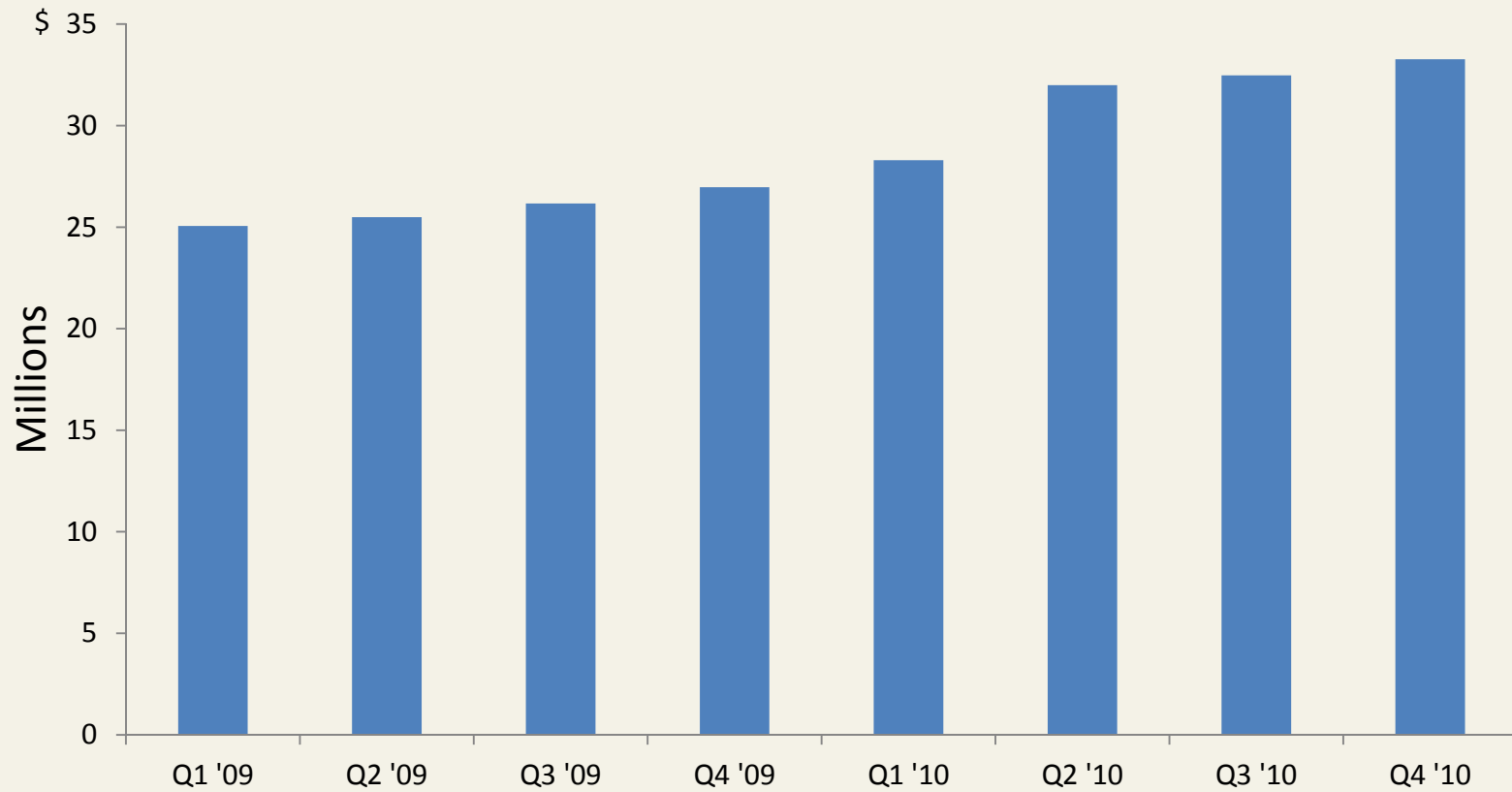
TDS Telecom Revenues

(\$ in millions)	Q4 '10	Q4 '09	Change
ILEC	\$ 155.6	\$ 151.5	2.7 %
CLEC	45.9	48.9	(6.3) %
Total *	\$ 199.1	\$ 198.0	0.5 %

* Reflects intercompany eliminations

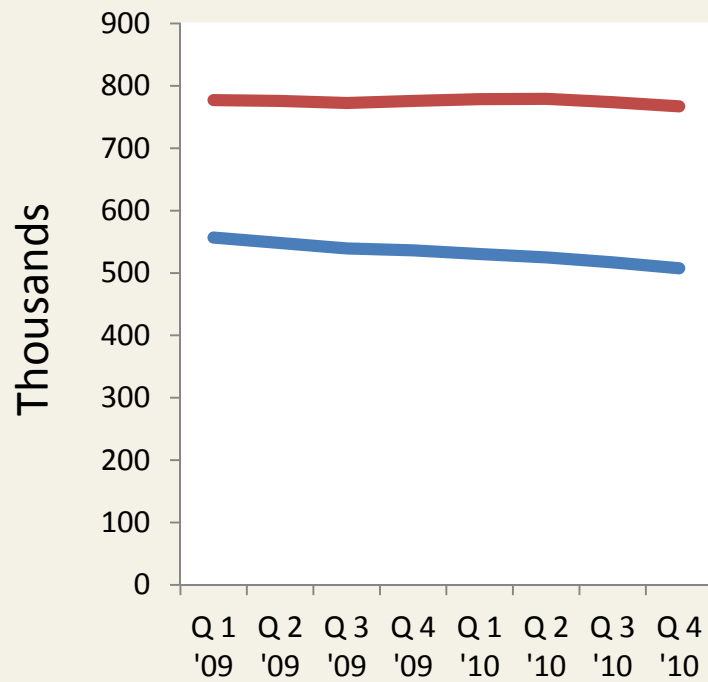


ILEC Data Revenues

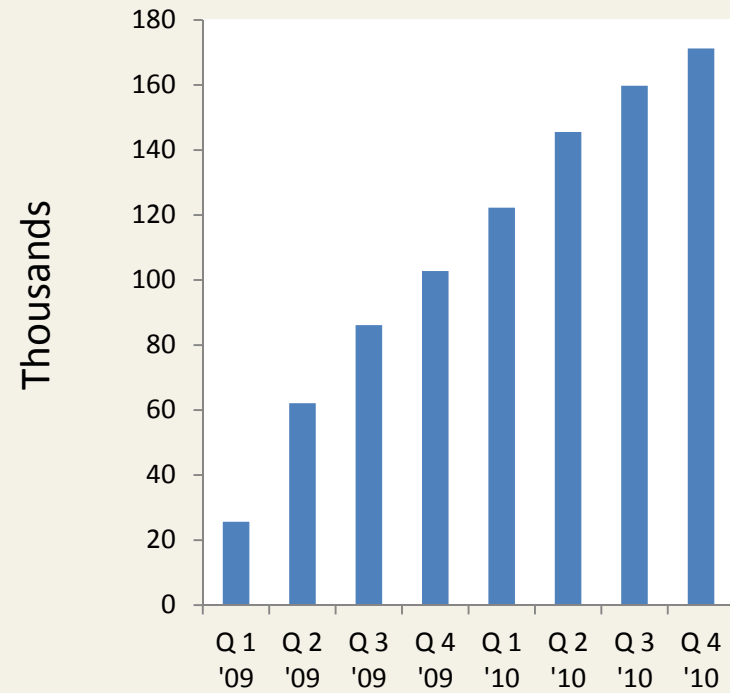




Customer Activity: Voice



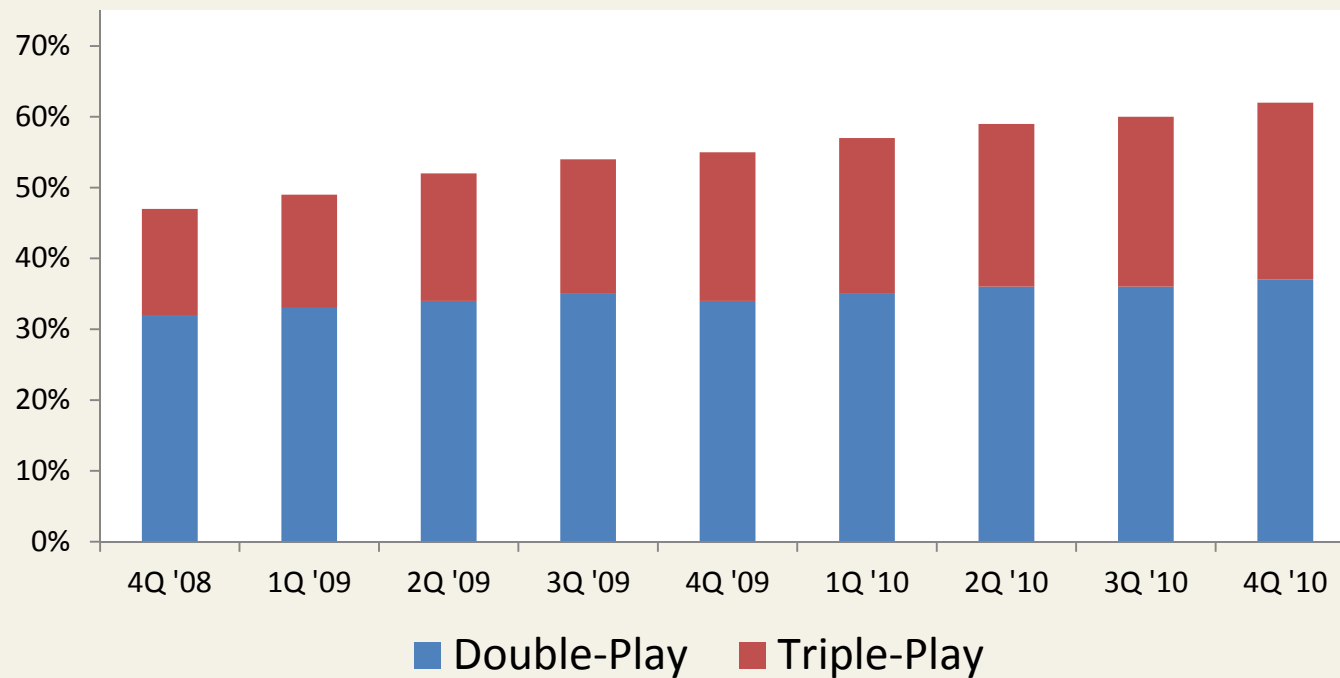
— Access Lines — Access Line Equivalents



Star Packages



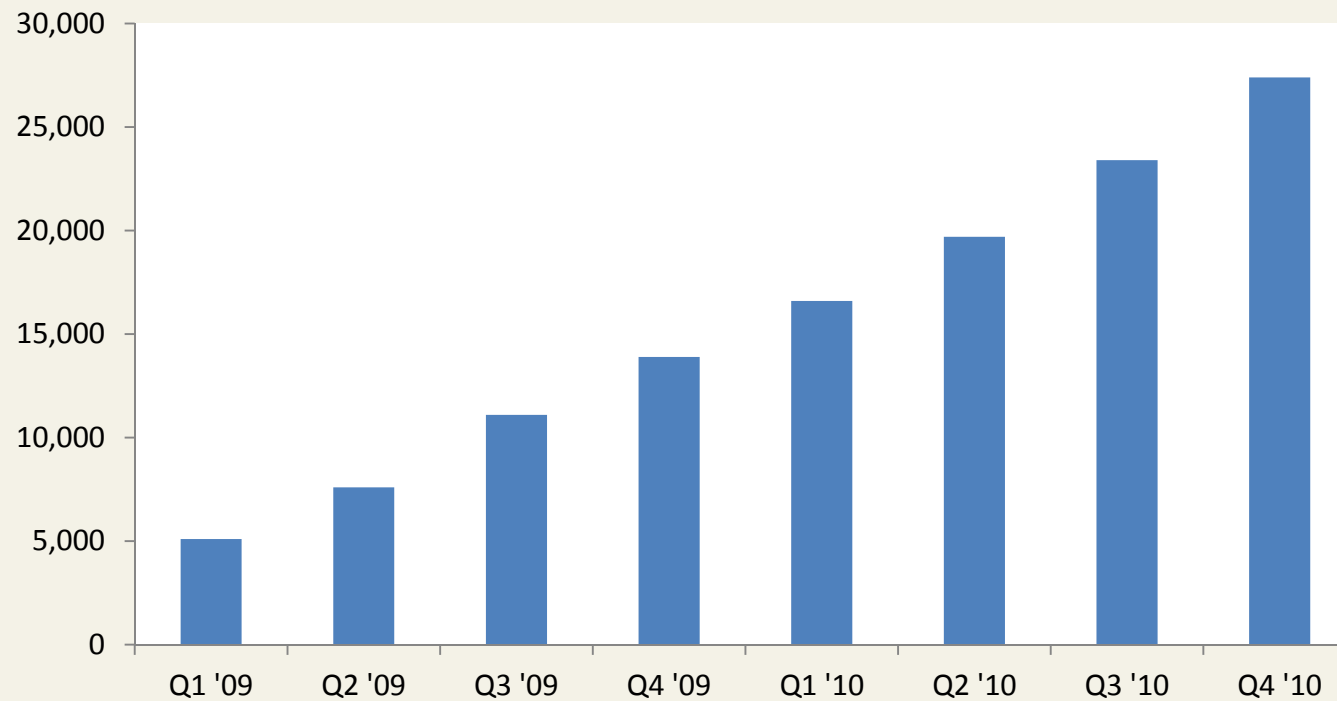
Penetration of Bundled Plans





*managed*IP Growth

Number of Stations





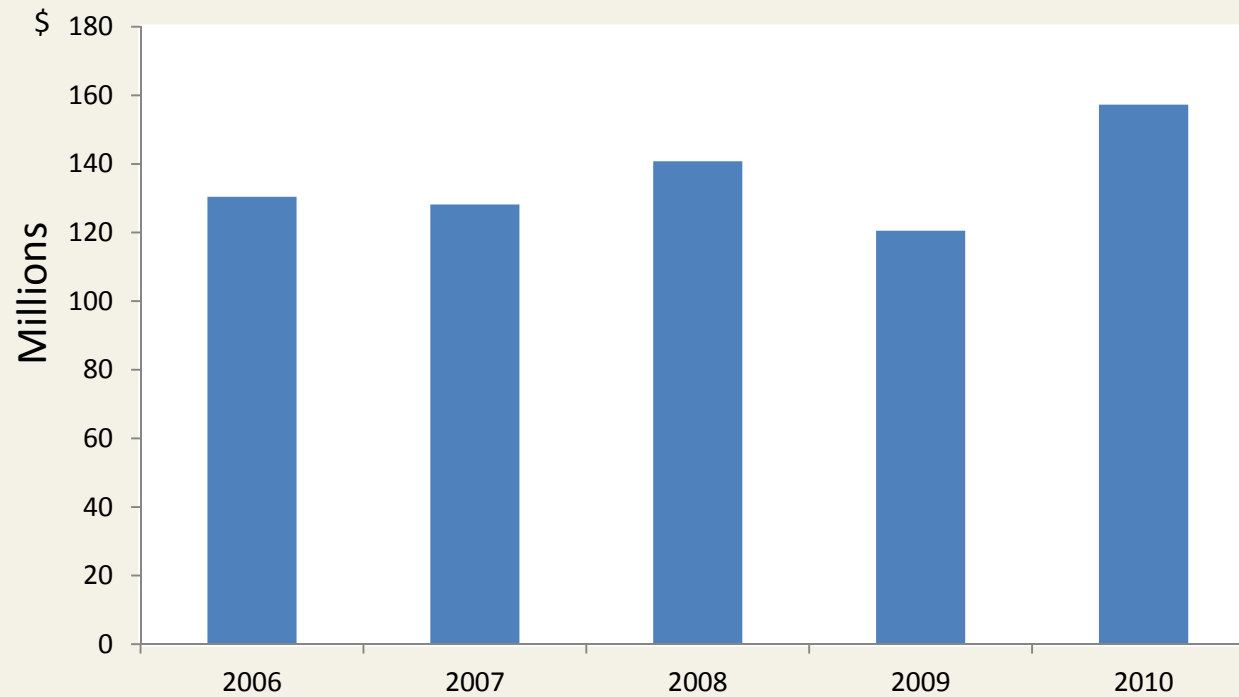
Financial Performance

(\$ in millions)	Q4 '10	Q4 '09	Change
Revenues	\$ 199.1	\$ 198.0	0.5 %
Expenses	130.0	129.6	0.3 %
Adjusted OIBDA ⁽¹⁾	\$ 69.1	\$ 68.5	0.9 %

(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 may also 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.



Capital Expenditures





Hosted and Managed Services

- Extension of current commercial offerings
- Leverages trusted reputation
- Platform for growth
 - VISI – acquired March 2010 for \$18 M
 - ✓ Managed hosting, collocation and cloud computing
 - TEAM Technologies – acquired December 2010 for \$48 M
 - ✓ Data center, disaster recovery and data security



2010 Accomplishments

- Increased broadband penetration and speeds; more bundled customers
- Awarded \$136 million in Federal Broadband Stimulus projects
- Expanded hosted and managed services offerings with two acquisitions
- Improved operating and financial performance



Economic Outlook / Competitive Landscape

- Looking for a modest recovery
 - CLEC markets may be slower to improve
 - Unemployment still a concern for consumers
- Cable competition continues to expand
 - We are taking leading share
 - Covers more than two-thirds of ILEC households
- Wireless substitution is an ongoing threat



2011 Strategy: Consumer

- Industry leading data penetration
- Continue to push higher speeds
- Bundle to further reduce churn
- Prepare for IPTV launch



2011 Strategy: Commercial

- Lead with flagship offering, *managedIP*
- Broaden offering with new products and services and bundle them effectively
- Build and integrate hosted and managed services business



Federal Broadband Stimulus Funding

	Applications Approved	Total Projects Approved	Federal Grants	TDS Telecom Funding
Round 1	2	\$12.5 M	\$12.5 M	---
Round 2	<u>42</u>	<u>\$123.5 M</u>	<u>\$92.6 M</u>	<u>\$30.9 M</u>
	44	\$136.0 M	\$105.1 M	\$30.9 M



2011 Guidance (ILEC/CLEC) – 2/24/11

Operating revenues	\$780 - \$810 million
Adjusted OIBDA ⁽¹⁾	\$260 - \$290 million
Depreciation, amortization and accretion expenses, and losses on asset disposals and impairment of assets ⁽²⁾	Approx. \$185 million
Operating income	\$75 - \$105 million
Capital expenditures ⁽³⁾	\$175 - \$200 million

- (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 may also 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.
- (2) Includes estimated losses on disposals of assets, but does not include an estimate for loss on impairment of assets, since this cannot be predicted.
- (3) TDS Telecom will fund its share for projects approved under the American Recovery and Reinvestment Act of 2009 to increase broadband access in unserved areas. Under the Recovery Act, TDS Telecom will receive \$105.1 million in federal grants and will provide \$30.9 million of its own funds to complete 44 projects over the next 24 to 36 months.



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