

	Weighted Number of Shares	Weighted Average Option Price	Weighted Average Black-Scholes Values of Option Grants
Stock Options			
Outstanding			
December 31, 2000 (127,012 exercisable)	525,180	\$40.32	
Granted	498,431	\$54.90	\$33.65
Exercised	(80,831)	\$24.31	
Canceled	(58,542)	\$38.38	
Outstanding			
December 31, 2001 (199,875 exercisable)	884,238	\$50.42	
Granted	869,637	\$38.80	\$19.74
Exercised	(9,456)	\$29.45	
Canceled	(200,985)	\$47.17	
Outstanding			
December 31, 2002 (335,972 exercisable)	1,543,434	\$ 45.15	
Granted	1,435,100	\$23.85	\$10.99
Exercised	(1,750)	\$24.37	
Canceled	(448,082)	\$40.18	
Outstanding			
December 31, 2003 (496,463 exercisable)	2,528,702	\$33.87	

U.S. Cellular has established Stock Option plans that provide for the grant of stock options to officers and employees and has reserved 6,510,650 Common Shares at December 31, 2003, for options granted and to be granted to key employees. The options under the plan are exercisable from the date of vesting through 2004 to 2013, or 30 days following the date of the employee's termination of employment, if earlier. Under the plan, 496,463 stock options were exercisable at December 31, 2003, have exercise prices between \$23.91 and \$73.31 and a weighted average exercise price of \$46.22 per share.

The following table provides certain details concerning U.S. Cellular stock options outstanding at December 31, 2003:

Range of Exercise Price	Stock Options Outstanding	Weighted Average Exercise Price	Weighted Average Contractual Life (Years)
\$23.20-36.99	1,478,267	\$24.34	9.0
\$37.00-49.99	810,289	\$41.83	8.0
\$50.00-73.31	240,146	\$65.73	5.8

The following table provides certain details concerning U.S. Cellular stock options exercisable at December 31, 2003:

Range of Exercise Price	Stock Options Exercisable	Weighted Average Exercise Price
\$23.91-36.99	76,290	\$29.80
\$37.00-49.99	303,725	\$42.59
\$50.00-73.31	116,448	\$66.45

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following

weighted-average assumptions used for grants in 2003, 2002 and 2001, respectively: risk-free interest rates of 3.7%, 4.6% and 5.0%; expected dividend yields of zero for all years; expected lives of 9.3 years, 9.4 years and 8.2 years; and expected volatility of 29.4%, 39.4% and 31.7%.

U.S. Cellular has granted key employees restricted shares of stock that fully vest after three years. The number of shares granted were 141,648, 86,826 and 65,671 in the years 2003, 2002 and 2001, respectively. The weighted-average values of the shares granted were \$23.70, \$39.71 and \$60.92 in 2003, 2002 and 2001, respectively. The expenses included in operating income due to grants of restricted shares were \$2.8 million, \$1.6 million and \$3.6 million in 2003, 2002 and 2001, respectively.

Employee Stock Purchase Plan

U.S. Cellular had 148,563 Common Shares reserved under the 2003 Employee Stock Purchase Plan, which will terminate on December 31, 2008. The plan became effective April 1, 2003, and provides for eligible employees of U.S. Cellular and its subsidiaries to purchase a limited number of USM Common Shares on a quarterly basis. The per share cost to each participant is at 85% of the market value of the Common Shares as of the issuance date.

Series A Common Shares

Series A Common Shares are convertible on a share-for-share basis into Common Shares. In matters other than the election of directors, each Series A Common Share is entitled to ten votes per share, compared to one vote for each Common Share. The Series A Common Shares are entitled to elect 75% of the directors (rounded down), and the Common Shares elect 25% of the directors (rounded up). As of December 31, 2003, a majority of U.S. Cellular's Common Shares and all of U.S. Cellular's outstanding Series A Common Shares were held by TDS.

Common Share Repurchase Program

The Board of Directors of U.S. Cellular from time to time has authorized the repurchase of U.S. Cellular Common Shares not owned by TDS. In 2000, U.S. Cellular authorized the repurchase of up to 4.2 million Common Shares through three separate 1.4 million share programs. U.S. Cellular may use repurchased shares to fund acquisitions and for other corporate purposes. The final 1.4 million share authorization expired in December 2003.

In 2003, no U.S. Cellular Common Shares were repurchased and 32,068 treasury shares were issued pursuant to certain employee and non-employee benefit plans.

In 2002, no U.S. Cellular Common Shares were repurchased and 69,000 treasury shares were issued pursuant to certain employee and non-employee benefit plans.

In 2001, U.S. Cellular paid \$29.9 million to repurchase 643,100 of its Common Shares and an additional \$11.0 million in January 2001 related to December 2000 repurchases. U.S. Cellular issued 818,000 treasury shares to satisfy retirements of convertible debt securities and pursuant to certain employee benefit plans.

The Board of Directors of U.S. Cellular has also authorized the repurchase of a limited amount of common shares on a quarterly basis, primarily for use in the employee benefit plans.