

UNITED STATES CELLULAR CORP  
Form 10-Q  
October 10, 2006

**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 10-Q**

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006

OR

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-9712

# UNITED STATES CELLULAR CORPORATION

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**62-1147325**

(I.R.S. Employer Identification No.)

**8410 West Bryn Mawr, Suite 700, Chicago, Illinois 60631**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(773) 399-8900**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer  Accelerated filer  Accelerated filer  Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at August 31, 2006
Common Shares, \$1 par value	54,197,834 Shares
Series A Common Shares, \$1 par value	33,005,877 Shares

UNITED STATES CELLULAR CORPORATION

**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE PERIOD ENDED JUNE 30, 2006**

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**PART I. FINANCIAL INFORMATION**

**ITEM I. FINANCIAL STATEMENTS**



**UNITED STATES CELLULAR CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF OPERATIONSUnaudited

	Three Months Ended		Six Months Ended	
	June 30, 2006	2005	June 30, 2006	2005
<i>(Dollars in thousands, except per share amounts)</i>				
<b>OPERATING REVENUES</b>				
Service	\$ 791,272	\$ 691,746	\$ 1,561,354	\$ 1,363,385
Equipment sales	54,432	50,219	121,586	89,651
Total Operating Revenues	845,704	741,965	1,682,940	1,453,036
<b>OPERATING EXPENSES</b>				
System operations (excluding Depreciation, amortization and accretion shown separately below)	150,555	147,238	305,410	285,709
Cost of equipment sold	133,416	116,811	276,732	244,059
Selling, general and administrative (including charges from affiliates of \$25.3 million and \$21.8 million for the three month period ended June 30, 2006 and 2005, respectively, and \$49.6 million and \$41.2 million for the six month period ended 2006 and 2005, respectively)	342,162	284,209	667,780	562,539
Depreciation, amortization and accretion	140,018	126,784	281,744	254,277
Total Operating Expenses	766,151	675,042	1,531,666	1,346,584
<b>OPERATING INCOME</b>	<b>79,553</b>	<b>66,923</b>	<b>151,274</b>	<b>106,452</b>
<b>INVESTMENT AND OTHER INCOME (EXPENSE)</b>				
Equity in earnings of unconsolidated entities	21,957	17,825	41,440	32,265
Interest and dividend income	9,807	4,347	10,395	6,372
Gain on investments				551
Interest expense	(23,007 )	(21,444 )	(46,215 )	(42,182 )
Other income, net	(140 )	(71 )	62	155
Total Investment and Other Income (Expense)	8,617	657	5,682	(2,839 )