

## 2018 Estimated Results

TDS' current estimates of full-year 2018 results for U.S. Cellular, TDS Telecom, and TDS are shown below. Such estimates represent management's view as of November 2, 2018. Such forward-looking statements should not be assumed to be current as of any future date. TDS undertakes no duty to update such information, whether as a result of new information, future events, or otherwise. There can be no assurance that final results will not differ materially from such estimated results.

	<b>2018 Estimated Results</b>					
	<b>U.S. Cellular</b>		<b>TDS Telecom <sup>(1)</sup></b>		<b>TDS <sup>(1)(2)</sup></b>	
	<b>Current <sup>(3)</sup></b>	Previous	<b>Current <sup>(3)</sup></b>	Previous	<b>Current <sup>(3)</sup></b>	Previous
(Dollars in millions)						
Total operating revenues	<b>\$3,950-\$4,000</b>	\$3,925-\$4,025	<b>\$900-\$950</b>	Unchanged	<b>\$5,080-\$5,180</b>	\$5,055-\$5,205
Adjusted OIBDA <sup>(4)(5)</sup>	<b>\$760-\$810</b>	\$700-\$800	<b>\$290-\$320</b>	Unchanged	<b>\$1,045-\$1,125</b>	\$985-\$1,115
Adjusted EBITDA <sup>(4)</sup>	<b>\$925-\$1,000</b>	\$850-\$950	<b>\$300-\$330</b>	Unchanged	<b>\$1,220-\$1,325</b>	\$1,145-\$1,275
Capital expenditures	<b>\$500</b>	\$500-\$550	<b>\$250</b>	\$270	<b>\$770</b>	\$790-\$840

The following tables provide reconciliations of Net income to Adjusted OIBDA and Adjusted EBITDA for 2018 estimated results, actual results for the nine months ended September 30, 2018, and actual results for the year ended December 31, 2017. In providing 2018 estimated results, TDS has not completed the below reconciliation to Net income because it does not provide guidance for income taxes. Although potentially significant, TDS believes that the impact of income taxes cannot be reasonably predicted; therefore, TDS is unable to provide such guidance.

	<b>2018 Estimated Results</b>		
	<b>U.S. Cellular <sup>(3)</sup></b>	<b>TDS Telecom <sup>(1)(3)</sup></b>	<b>TDS <sup>(1)(2)(3)</sup></b>
(Dollars in millions)			
<b>Net income (GAAP)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Add back:			
Income tax expense (benefit)	N/A	N/A	N/A
<b>Income before income taxes (GAAP)</b>	<b>\$175-\$250</b>	<b>\$80-\$110</b>	<b>\$155-\$260</b>
Add back:			
Interest expense	115	—	175
Depreciation, amortization and accretion expense	645	220	900
EBITDA (Non-GAAP) <sup>(4)</sup>	<b>\$935-\$1,010</b>	<b>\$300-\$330</b>	<b>\$1,230-\$1,335</b>
Add back or deduct:			
(Gain) loss on asset disposals, net	10	—	10
(Gain) loss on license sales and exchanges, net	(20)	—	(20)
Adjusted EBITDA (Non-GAAP) <sup>(4)</sup>	<b>\$925-\$1,000</b>	<b>\$300-\$330</b>	<b>\$1,220-\$1,325</b>
Deduct:			
Equity in earnings of unconsolidated entities	150-175	—	150-175
Interest and dividend income	15	5	20
Other, net <sup>(6)</sup>	—	5	5
Adjusted OIBDA (Non-GAAP) <sup>(4)(5)</sup>	<b>\$760-\$810</b>	<b>\$290-\$320</b>	<b>\$1,045-\$1,125</b>

Note: Totals may not foot due to rounding differences.

- (1) TDS has re-evaluated internal reporting roles with regard to its HMS business unit and, as a result, has changed its reportable segments. Effective January 1, 2018, HMS is no longer reported under TDS Telecom. Prior periods have been recast to conform to the revised presentation.
- (2) The TDS column includes U.S. Cellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments (including HMS as indicated in Note (1) above).
- (3) As of January 1, 2018, TDS adopted the new revenue recognition standard, ASC 606, using a modified retrospective approach. Under this method, the new accounting standard is applied only to the most recent period presented. As a result, 2018 amounts include the impacts of ASC 606, but 2017 amounts remain as previously reported, except as specifically stated.
- (4) EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliation above. EBITDA, Adjusted EBITDA and Adjusted OIBDA are not measures of financial performance under Generally Accepted Accounting Principles in the United States (GAAP) and should not be considered as alternatives to Net income or Cash flows from operating activities, as indicators of cash flows or as measures of liquidity. TDS does not intend to imply that any such items set forth in the reconciliation above are non-recurring, infrequent or unusual; such items may occur in the future. Management uses Adjusted EBITDA and Adjusted OIBDA as measurements of profitability, and therefore reconciliations to Net income are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA are useful measures of TDS' operating results before significant recurring non-cash charges, gains and losses, and other items as presented above as they provide additional relevant and useful information to investors and other users of TDS' financial data in evaluating the effectiveness of its operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Adjusted EBITDA shows adjusted earnings before interest, taxes, depreciation, amortization and accretion, and gains and losses, while Adjusted OIBDA reduces this measure further to exclude Equity in earnings of unconsolidated entities and Interest and dividend income in order to more effectively show the performance of operating activities excluding investment activities. The table above reconciles EBITDA, Adjusted EBITDA and Adjusted OIBDA to the corresponding GAAP measure, Net income or Income (loss) before income taxes.
- (5) Additional information and reconciliations related to Non-GAAP financial measures for September 30, 2018, can be found on TDS' website at [investors.tdsinc.com](http://investors.tdsinc.com).
- (6) ASU 2017-07, regarding net periodic pension cost and net periodic postretirement benefit cost was adopted as of January 1, 2018, and applied retrospectively. All prior period numbers have been recast to conform to this standard.