

## 2013 ESTIMATES

Estimates of full-year 2013 results for U.S. Cellular, TDS Telecom and TDS, are shown below. Such estimates represent management's view as of the date of filing of TDS' Form 10-K for the year ended December 31, 2012. 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.

TDS has changed the measures which it uses to present estimates of operating results. TDS now provides estimates for consolidated revenues and capital expenditures. In addition, TDS previously presented Adjusted OIBDA, defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the loss on impairment of assets; and the net gain or loss on asset disposals and exchanges. TDS believes Adjusted income before income taxes, as defined below, is a measure which provides a more comprehensive and meaningful view of TDS' recurring results of operations.

	<b>2013 Estimated Results (1)</b>		
<b>(Dollars in millions)</b>	<b>U.S. Cellular (2)</b>	<b>TDS Telecom (3)</b>	<b>TDS (2)(3)(7)</b>
Adjusted operating revenues (4)	\$3,765-\$3,885	\$850-\$900	\$4,660-\$4,830
Adjusted income before income taxes (5)	\$780-\$900	\$220-\$250	\$995-\$1,145
Capital expenditures	Approx. \$600	Approx. \$155	Approx. \$765

- (1) These estimates are based on TDS' current plans, which include a multi-year deployment of 4G LTE technology which commenced in 2011 at U.S. Cellular and a multi-year deployment of IPTV which commenced in 2011 at TDS Telecom. New developments or changing conditions (such as, but not limited to, regulatory developments, customer net growth, customer demand for data services, costs to deploy, agreements for content or franchises, or possible acquisitions, dispositions or exchanges) could affect TDS' plans and, therefore, its 2013 estimated results.
- (2) These estimates also assume the Divestiture Transaction closes July 1, 2013. Actual effects could vary significantly from these estimates as a result of a change in the expected timing of the Divestiture Transaction.

These estimates reflect U.S. Cellular's consolidated results for 2013. Estimated results reflecting U.S. Cellular's Divestiture Markets and Core Markets are shown in the table below:

	<b>2013 Estimated Results</b>		
<b>(Dollars in millions)</b>	<b>U.S. Cellular Core Markets (6)</b>	<b>U.S. Cellular Divestiture Markets (6)</b>	<b>U.S. Cellular Consolidated (6)</b>
Adjusted operating revenues (4)	\$3,600-\$3,700	\$165-\$185	\$3,765-\$3,885
Adjusted income before income taxes (5)	\$765-\$865	\$15-\$35	\$780-\$900
Capital expenditures	Approx. \$600	—	Approx. \$600

- (3) These estimates do not reflect the effects of the acquisition of Baja Broadband, LLC.
- (4) Adjusted operating revenues is a non-GAAP financial measure defined as Operating revenues excluding U.S. Cellular Equipment sales revenues. U.S. Cellular Equipment sales revenues are excluded from Adjusted operating revenues since U.S. Cellular equipment is generally sold at a net loss, and such net loss that results from U.S. Cellular Equipment sales revenues less U.S. Cellular Cost of equipment sold is viewed as a cost of earning service revenues for purposes of assessing business results. For purposes of developing this guidance, TDS does not calculate an estimate of U.S. Cellular Equipment sales revenues. TDS believes this measure provides useful information to investors regarding TDS' results of operations. Adjusted operating revenues is not a measure of financial performance under GAAP and should not be considered as an alternative to Operating revenues as an indicator of the Company's operating performance.
- (5) Adjusted income before income taxes is a non-GAAP financial measure defined as income before: Income taxes, Depreciation, amortization and accretion, net Gain or loss on sale of business and other exit costs, and Interest

expense. Adjusted income before income taxes is not a measure of financial performance under GAAP and should not be considered as an alternative to Income before income taxes as an indicator of the Company's operating performance or as an alternative to cash flows from operating activities, determined in accordance with GAAP, as an indicator of cash flows or as a measure of liquidity. TDS believes Adjusted income before income taxes is a meaningful measure of TDS' operating results before significant recurring non-cash charges, discrete gains and losses and financing charges (Interest expense). The following tables provide a reconciliation of Income before income taxes to Adjusted income before income taxes for 2013 Estimated Results and 2012, 2011 and 2010 actual results:

**2013 Estimated Results**

	<b>U.S. Cellular Core Markets (6)</b>	<b>U.S. Cellular Divestiture Markets (2)(6)</b>	<b>U.S. Cellular Consolidated (6)</b>	<b>TDS Telecom</b>	<b>TDS (7)</b>
<b>(Dollars in millions)</b>					
Income before income taxes (8)(9)	\$165-\$265	(\$180)-(\$160)	(\$15)-\$105	\$25-\$55	(\$55)-\$95
Depreciation, amortization and accretion expense	Approx. \$545	Approx. \$195	Approx. \$740	Approx. \$195	Approx. \$940
Interest expense	Approx. \$55	—	Approx. \$55	—	Approx. \$110
Adjusted income before income taxes	<u>\$765-\$865</u>	<u>\$15-\$35</u>	<u>\$780-\$900</u>	<u>\$220-\$250</u>	<u>\$995-\$1,145</u>

**2012 Actual Results**

	<b>U.S. Cellular Consolidated (6)</b>	<b>TDS Telecom</b>	<b>TDS (7)</b>
<b>(Dollars in millions)</b>			
Income before income taxes (9)	\$ 205.1	\$ 45.0	\$ 196.2
Depreciation, amortization and accretion expense	608.6	193.1	813.6
(Gain) loss on sale of business and other exit costs, net	21.0	-	21.1
Interest expense (Capitalized interest)	42.4	(1.5)	86.7
Adjusted income before income taxes	<u>\$ 877.1</u>	<u>\$ 236.6</u>	<u>\$ 1,117.6</u>

**2011 Actual Results**

	<b>U.S. Cellular Consolidated (6)</b>	<b>TDS Telecom</b>	<b>TDS (7)</b>
<b>(Dollars in millions)</b>			
Income before income taxes	\$ 312.8	\$ 107.5	\$ 363.7
Depreciation, amortization and accretion expense	573.6	180.5	765.8
(Gain) loss on sale of business and other exit costs, net	-	-	-
Interest expense (Capitalized interest)	65.6	(2.6)	118.2
Adjusted income before income taxes	<u>\$ 952.0</u>	<u>\$ 285.4</u>	<u>\$ 1,247.7</u>

**2010 Actual Results**

	<b>U.S. Cellular Consolidated (6)</b>	<b>TDS Telecom</b>	<b>TDS (7)</b>
<b>(Dollars in millions)</b>			
Income before income taxes	\$ 241.1	\$ 101.3	\$ 285.8
Depreciation, amortization and accretion expense	571.0	174.1	755.6
(Gain) loss on sale of business and other exit costs, net	-	-	-
Interest expense (Capitalized interest)	61.6	(0.8)	116.8
Adjusted income before income taxes	<u>\$ 873.7</u>	<u>\$ 274.6</u>	<u>\$ 1,158.2</u>

(6) The U.S. Cellular Consolidated amounts represent GAAP financial measures and include the results of both the Core Markets and the Divestiture Markets. As used herein, "Core Markets" represents U.S. Cellular's total consolidated markets excluding the Divestiture Markets. The Core Markets and Divestiture Markets amounts represent non-GAAP financial measures. TDS believes that the Core Markets and Divestiture Markets amounts may be useful to investors and other users of its financial information in evaluating the pro forma results for the Core Markets.

- (7) The TDS column includes U.S. Cellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments, all of which are not presented above.
- (8) This amount does not include any estimate for (Gain) loss on sale of business and other exit costs, net, as the timing of such amount is not readily estimable.
- (9) The 2013 estimated amounts for depreciation, amortization and accretion expense in the U.S. Cellular Divestiture Markets include approximately \$120 million of incremental accelerated depreciation resulting from the Divestiture Transaction. The 2012 actual results include \$20.1 million of incremental accelerated depreciation resulting from the Divestiture Transaction.