

## 2015 Guidance

### 2015 Estimated Results and Actual Results for the Year Ended December 31, 2014

	U.S. Cellular		TDS Telecom		TDS(2)	
	Estimate	Actual	Estimate	Actual	Estimate	Actual
	<b>(Dollars in millions)</b>					
Total operating revenues	\$4,000-\$4,200	\$3,893	\$1,130-\$1,180	\$1,088	\$5,145-\$5,395	\$5,009
Operating cash flow (1)	\$350-\$450	\$338	\$280-\$310	\$296	\$635-\$765	\$632
Adjusted EBITDA (1)	\$530-\$630	\$480	\$280-\$310	\$298	\$820-\$950	\$781
Capital expenditures	\$600	\$558	\$220	\$208	\$830	\$771

- (1) Operating cash flow is defined as net income, adjusted for the items set forth in the reconciliation below. Adjusted EBITDA is defined as net income, adjusted for the items set forth in the reconciliation below. Operating cash flow and Adjusted EBITDA exclude these items in order to show operating results on a more comparable basis from period to period. From time to time, TDS may exclude other items from Operating cash flow and/or Adjusted EBITDA if such items help reflect operating results on a more comparable basis. TDS does not intend to imply that any such items that are excluded are non-recurring, infrequent or unusual; such items may occur in the future. Operating cash flow and Adjusted EBITDA 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 as indicators of the company's operating performance or as alternatives to cash flows from operating activities, determined in accordance with GAAP, as indicators of cash flows or as measures of liquidity. TDS believes Operating cash flow and Adjusted EBITDA are useful measures of TDS' operating results before significant recurring non-cash charges, gains and losses, and other items as indicated below. The following tables provide a reconciliation to Operating cash flow and Adjusted EBITDA for 2015 estimated results and year ended December 31, 2014 actual results:

### 2015 Estimated and Actual Results for the Year Ended December 31, 2014

	U.S. Cellular		Telecom		TDS (2)	
	Estimate (3)	Actual	Estimate (3)	Actual	Estimate (3)	Actual
	<b>(Dollars in millions)</b>					
<b>Net income (loss) (GAAP)</b>	<b>N/A</b>	<b>(\$47)</b>	<b>N/A</b>	<b>(\$24)</b>	<b>N/A</b>	<b>(\$147)</b>
Add back:						
Income tax expense (benefit)	N/A	(\$12)	N/A	\$18	N/A	(\$5)
<b>Income (loss) before income taxes (GAAP)</b>	<b>(\$10)-\$90</b>	<b>(\$59)</b>	<b>\$45-\$75</b>	<b>(\$7)</b>	<b>(\$25)-\$105</b>	<b>(\$153)</b>
Add back:						
Interest expense	\$85	\$57	—	(\$1)	\$145	\$111
Depreciation, amortization and accretion expense	\$545	\$606	\$235	\$220	\$790	\$837
<b>EBITDA</b>	<b>\$620-\$720</b>	<b>\$605</b>	<b>\$280-\$310</b>	<b>\$212</b>	<b>\$910-\$1,040</b>	<b>\$796</b>
Add back:						
Loss on impairment of assets	—	—	—	\$84	—	\$88
(Gain) loss on sale of business and other exit costs, net	(\$105)	(\$33)	—	(\$2)	(\$105)	(\$16)
(Gain) loss on license sales and exchanges	—	(\$113)	—	—	—	(\$113)
(Gain) loss on assets disposals, net	\$15	\$21	—	\$5	\$15	\$27
<b>Adjusted EBITDA (4)</b>	<b>\$530-\$630</b>	<b>\$480</b>	<b>\$280-\$310</b>	<b>\$298</b>	<b>\$820-\$950</b>	<b>\$781</b>
Deduct:						
Equity in earnings of unconsolidated entities	(\$130)	(\$130)	—	—	(\$130)	(\$132)
Interest and dividend income	(\$50)	(\$12)	—	(\$2)	(\$55)	(\$17)
<b>Operating cash flow (5)</b>	<b>\$350-\$450</b>	<b>\$338</b>	<b>\$280-\$310</b>	<b>\$296</b>	<b>\$635-\$765</b>	<b>\$632</b>

- (2) 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.
- (3) In providing 2015 Estimated Results, TDS has not completed the above reconciliation to net income because it does not provide guidance for income taxes. TDS believes that the impact of income taxes cannot be reasonably predicted; therefore, the company is unable to provide such guidance. Accordingly, a reconciliation to net income is not available without unreasonable effort.
- (4) Adjusted EBITDA (new measure) equals adjusted income before income taxes (previous measure) excluding gain or loss on asset disposals, net. See Adjusted EBITDA reconciliation for full year 2014, 2013, and 2012 actual results on the company's website at [investors.tdsinc.com](http://investors.tdsinc.com).
- (5) A reconciliation of Operating cash flow (Non-GAAP) to operating income (GAAP) for full year 2014, 2013, and 2012 actual results can be found on the company's website at [investors.tdsinc.com](http://investors.tdsinc.com).