TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures
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TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures

For the Three Months Ended Dec. 31, 2005 and Dec. 31, 2004

Quarter Ended at Dec. 31, 2005	U.S. Cellular	TDS Telecom ILEC	TDS Telecom CLEC	All Other (1)	Total
	(Dollars in thousands)				
Operating cash flow:					
Operating income (loss) as reported	$ 71,629	$ 41,400	$ 1,148	$ (10,115)	$ 104,062
Add:					
Depreciation, amortization and accretion	128,212	34,013	8,615	692	171,532
(Gain) on sales of assets	(44,660)	---	---	---	(44,660)
Operating cash flow	$ 155,181	$ 75,413	$ 9,763	$ (9,423)	$ 230,934

Quarter Ended at Dec. 31, 2004	U.S. Cellular	TDS Telecom ILEC	TDS Telecom CLEC	All Other (1)	Total
	(Dollars in thousands; as restated)				
Operating cash flow:					
Operating income (loss) as reported	$ 38,434	$ 43,523	$ (125,511)	$ 718	$ (42,836)
Add:					
Depreciation and Amortization	134,453	34,026	10,214	655	179,348
Loss on impairment of intangible assets	---	---	29,440	---	29,440
Loss on impairment of long-lived assets	---	---	87,910	---	87,910
(Gain) on sales of assets	(10,081)	---	---	---	(10,081)
Operating cash flow	$ 162,806	$ 77,549	$ 2,053	$ 1,373	$ 243,781

NB: The Operating Cash Flow amounts in the tables presented above are not determined in accordance with accounting principles generally accepted in the United States of America (GAAP). Management uses Operating Cash Flow to evaluate the operating performance of its business, and it is a measure of performance used by some investors, security analysts and others to make informed investment decisions. Operating Cash Flow is used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Operating Cash Flow are used to estimate current or prospective enterprise value. Operating Cash Flow does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Operating Cash Flow as presented herein may not be comparable to similarly titled measures reported by other companies.

(1) Financial data from TDS's 80 percent-owned subsidiary Suttle-Strauss, TDS Corporate operation sand intercompany eliminations

UNITED STATES CELLULAR CORPORATION
Reconciliation of Marketing Cost per Gross Customer Unit Addition

Quarter Ended	12/31/05	9/30/05	6/30/05 (As Restated)	3/31/05 (As Restated)	12/31/04 (As Restated)
(Dollars in thousands, except per customer amounts)					
Components of cost					
Selling, general and administrative expenses related to the acquisition of new customers (1)	$ 162,373	$ 144,202	$ 124,109	$ 120,552	$ 138,537
Cost of equipment sold to new customers (2)	102,637	99,119	88,362	95,597	96,892
Less equipment sales revenues from new customers (3)	(56,487)	(69,032)	(55,567)	(47,582)	(56,043)
Total cost	$ 208,523	$ 174,289	$ 156,904	$ 168,567	$ 179,386
Gross customer activations (000s) (4)	419	355	340	426	408
Marketing cost per gross customer activation (5)	$ 498	$ 491	$ 461	$ 396	$ 440

(1) Selling, general and administrative expenses related to the acquisition of new customers is reconciled to total selling, general and administrative expenses as follows:

	12/31/05	9/30/05	6/30/05 (As Restated)	3/31/05 (As Restated)	12/31/04 (As Restated)
(Dollars in thousands)					
Selling, general and administrative expenses as reported	337,558	312,777	284,209	278,330	290,243
Less expenses related to serving and retaining customers	(175,185)	(168,575)	(160,100)	(157,778)	(151,706)
Selling, general and administrative expenses related to the acquisition of new customers	162,373	144,202	124,109	120,552	138,537

(2) Cost of equipment sold, excluding amounts related to the retention of existing customers is reconciled to total cost of equipment sold as follows:

	12/31/05	9/30/05	6/30/05 (As Restated)	3/31/05 (As Restated)	12/31/04 (As Restated)
(Dollars in thousands)					
Cost of equipment sold as reported	137,057	130,823	116,811	127,248	129,451
Less cost of equipment sold related to the retention of existing customers	(34,420)	(31,704)	(28,449)	(31,651)	(32,559)
Cost of equipment sold to new customers	102,637	99,119	88,362	95,597	96,892

(3) Equipment sales revenues, excluding amounts related to the retention of existing customers is reconciled to total equipment sales revenues as follows:

	12/31/05	9/30/05	6/30/05 (As Restated)	3/31/05 (As Restated)	12/31/04 (As Restated)
(Dollars in thousands)					
Equipment sales revenues as reported	48,663	66,002	50,219	39,432	46,188
Less equipment sales revenues related to the retention of existing customers, net of agent rebates	(8,846)	(9,169)	(6,666)	(5,437)	(5,247)
Add agent rebate reductions of equipment sales revenues related to the retention of existing customers	16,670	12,199	12,014	13,587	15,102
Equipment sales revenues from new customers	56,487	69,032	55,567	47,582	56,043

(4) Gross customer activations represent customers added to U.S. Cellular's customer base, during the respective periods presented, through its marketing distribution channels.

(5) The definition of marketing cost per gross customer unit addition that U.S. Cellular uses as a measure of the cost to acquire additional customers through its marketing distribution channels may not be comparable to similarly titled measures that are reported by other companies.

UNITED STATES CELLULAR CORPORATION
Reconciliation of Monthly General and Administrative Expenses per Unit

Quarter Ended		12/31/05		9/30/05		6/30/05 (As Restated)		3/31/05 (As Restated)		12/31/04 (As Restated)
(Dollars in thousands, except per customer amounts)										
Components of cost (1)										
Selling, general and administrative expenses as reported	$	337,558	$	312,777	$	284,209	$	278,330	$	290,243
Less selling, general and administrative expenses related to the acquisition of new customers		(162,373)		(144,202)		(124,109)		(120,552)		(138,537)
Add cost of equipment sold related to the retention of existing customers		34,420		31,704		28,449		31,651		32,559
Less equipment sales revenues related to the retention of existing customers, excluding agent sales		(8,846)		(9,169)		(6,666)		(5,437)		(5,247)
Add agent rebate reductions of equipment sales revenues related to the retention of existing customers		16,670		12,199		12,014		13,587		15,102
Net cost of serving and retaining customers	$	217,429	$	203,309	$	193,897	$	197,579	$	194,120
Divided by average customers during period (000s) (2)		5,360		5,264		5,179		5,035		4,866
Divided by three months in each period		3		3		3		3		3
Marketing cost per gross customer activation (5)	$	13.52	$	12.87	$	12.48	$	13.08	$	13.30

(1) These components were previously identified in the table in Sheet 3. CPGA Recon, which calculates sales and marketing cost per gross customer activation, and related footnotes.

(2) Average customers for the three month periods were derived in a manner similar to the average customers definition used in footnote 2 to the table in the Summary Operating Data sheet contained in the U.S. Cellular earnings release document.

TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures
Financial Guidance for the Year Ending December 31, 2006

TDS and U.S. Cellular have reviewed their forward-looking statements and on July 28, 2006 revised their guidance for full-year 2006 as follows:

U.S. Cellular	Guidance as of 5/10/2006	Guidance as of 7/28/2006
Net Retail Customer Additions	390,000 - 450,000	**370,000 - 400,000**
Service Revenues	Approx. $3.2 billion	**Approx. $3.2 billion**
Operating Cash Flow[1]:	$815 - $875 million	**$835 - $885 million**
Operating Income	$230 - $290 million	**$250 - $300 million**
Depreciation, Amortization & Accretion	$585 million	**$585 million**
Operating Cash Flow	$815 - $875 million	**$835 - $885 million**
Capital Expenditures	$580 - $610 million	**$580 - $610 million**

TDS Telecom: ILEC	Guidance as of 5/10/2006	Guidance as of 7/28/2006
Operating Revenues	$660 - $675 million	**$645 - $655 million**
Operating Cash Flow[1]:	$280 - $295 million	**$280 - $290 million**
Operating Income	$145 - $160 million	**$145 - $155 million**
Depreciation and amortization	$135 million	**$135 million**
Operating Cash Flow	$280 $295 million	**$280 - $290 million**
Capital Expenditures[2]	$105 - $125 million	**$105 - $120 million**

TDS Telecom: CLEC	Guidance as of 5/10/2006	Guidance as of 7/28/2006
Operating Revenues	$230 - $240 million	**$230 - $240 million**
Operating Cash Flow[1]:	$15 - $20 million	**Approx. $20 million**
Operating Income (Loss)	$(10) - $(5) million	**Approx. $(5) million**
Depreciation and amortization	$25 million	**$25 million**
Operating Cash Flow	$15 - $20 million	**Approx. $20 million**
Capital Expenditures	$15 - 25 million	**Approx. $20 million**

(1) Operating Cash Flow as used above represents operating income before depreciation, amortization and accretion, and excludes loss on impairment of intangible assets, and (gain) loss on assets held for sale. Operating Cash Flow is not presented as an alternative measure of operating results or cash flows from operating activities as determined in accordance with accounting principles generally accepted in the United States of America. Management uses Operating Cash Flow to evaluate the operating performance of its business, and it is a measure of performance used by some investors, security analysts and others to make informed investment decisions. Operating Cash Flow is used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Operating Cash Flow are used to estimate current or prospective enterprise value. Operating Cash Flow does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Operating Cash Flow as presented herein may not be comparable to similarly titled measures reported by other companies.

(2) Includes approximately $95 million to support ongoing operations and approximately $15 -$20 million for strategic initiatives.

Any guidance that is not consistent with the above should not be relied upon. The foregoing guidance represents the views of management as of the dates indicated and should not be assumed to be accurate as of any date other than such date. TDS undertak

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR CAUTIONARY STATEMENT

- *Intense competition in the markets in which TDS operates could adversely affect TDS's revenues or increase its costs to compete.*
- *Consolidation in the telecommunications industry could adversely affect TDS's revenues and increase its costs of doing business.*
- *Advances or changes in telecommunications technology, such as Voice over Internet Protocol or WiMAX, could render certain technologies used by TDS obsolete, could reduce TDS's revenues or increase its costs of doing business.*
- *Changes in the regulatory environment or a failure by TDS to timely or fully comply with any regulatory requirements could adversely affect TDS's financial condition, results of operations or ability to do business.*
- *Changes in TDS's enterprise value, changes in the supply or demand of the market for wireless licenses or telephone company franchises, adverse developments in the business or the industry in which TDS is involved and/or other factors could require TDS to recognize impairments in the carrying value of TDS's license costs, goodwill and/or physical assets.*
- *Early redemptions of debt or repurchases of debt, issuances of debt, changes in prepaid forward contracts, changes in operating leases, changes in purchase obligations or other factors or developments could cause the amounts reported under Contractual Obligations in TDS's most recent Annual Report on Form 10-K, as updated by the Quarterly Reports on Form 10-Q, to be different from the amounts actually incurred.*
- *Changes in accounting standards or TDS's accounting policies, estimates and/or in the assumptions underlying the accounting estimates could have an adverse effect on TDS's financial condition or results of operations.*
- *Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending and future litigation could have an adverse effect on TDS's financial condition, results of operations or ability to do business.*
- *Costs, integration problems or other factors associated with acquisitions/divestitures of properties and/or licenses and/or expansion of TDS's business could have an adverse effect on TDS's business, financial condition or results of operations.*
- *Changes in various business factors could have an adverse effect on TDS's business, financial condition or results of operations.*
- *A significant portion of TDS's wireless revenues is derived from customers who buy services through independent agents and dealers who market TDS's services on a commission basis. If TDS's relationships with these agents and dealers are seriously harmed, its wireless revenues could be adversely affected.*
- *TDS's investments in technologies which are unproven or for which success has not yet been demonstrated may not produce the benefits that TDS expects.*
- *An inability to obtain or maintain roaming arrangements with other carriers on terms that are acceptable to TDS, and/or changes in roaming rates and the lack of standards and roaming agreements for wireless data products, could have an adverse effect on TDS's business, financial condition or results of operations.*
- *Changes in access to content for data or video services and access to new handsets being developed by vendors, or an inability to manage its supply chain or inventory successfully, could have an adverse effect on TDS's business, financial condition or results of operations.*
- *A failure by TDS's service offerings to meet customer expectations could limit TDS's ability to attract and retain customers and have an adverse effect on TDS's operations.*
- *A failure by TDS to complete significant network build-out and system implementation as part of its plans to build out new markets and improve the quality and capacity of its network could have an adverse effect on its operations.*
- *A failure by TDS's wireless business to acquire adequate radio spectrum could have an adverse effect on TDS's business and operations.*

- *Financial difficulties of TDS's key suppliers or vendors, or termination or impairment of TDS's relationship with such suppliers or vendors, could result in a delay or termination of TDS's receipt of equipment or services, which could adversely affect TDS's business and results of operations.*
- *An increase of TDS's debt in the future could subject TDS to various restrictions and higher interest costs and decrease its cash flows and earnings.*
- *An inability to attract and/or retain management, technical, sales and other personnel could have an adverse effect on TDS's business, financial condition or results of operations.*
- *TDS has significant investments in entities that it does not control. Losses in the value of such investments could have an adverse effect on TDS's results of operations or financial condition.*
- *Changes in guidance or interpretations of accounting requirements, changes in industry practice, identification of errors or changes in management assumptions could require amendments to or restatements of financial information or disclosures included in this or prior filings with the SEC.*
- *Uncertainty of access to capital for telecommunications companies, deterioration in the capital markets, other changes in market conditions, changes in TDS's credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to TDS, which could require TDS to reduce its construction, development and acquisition programs.*
- *Changes in income tax rates, laws, regulations or rulings, or federal or state tax assessments could have an adverse effect on TDS's financial condition or results of operations.*
- *War, conflicts, hostilities and/or terrorist attacks or equipment failure, power outages, natural disasters or breaches of network or information technology security could have an adverse effect on TDS's business, financial condition or results of operations.*
- *Changes in general economic and business conditions, both nationally and in the markets in which TDS operates could have an adverse effect on TDS's business, financial condition or results of operations.*
- *Changes in facts or circumstances, including new or additional information that affects the calculation of potential liabilities for contingent obligations under guarantees, indemnities or otherwise, could require TDS to record charges in excess of amounts accrued in the financial statements, if any, which could have an adverse effect on TDS's financial condition or results of operations.*
- *Material weaknesses in the effectiveness of internal control over financial reporting could result in inaccurate financial statements or other disclosures or fail to prevent fraud, which could have an adverse effect on TDS's business, financial condition or results of operations.*
- *The pending SEC investigation regarding the restatement of TDS's financial statements could result in substantial expenses, and could result in monetary or other penalties.*
- *The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from handsets, wireless data devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have an adverse effect on TDS's wireless business, financial condition or results of operations.*
- *TDS's assets are concentrated in the U.S. telecommunications industry. As a result, its results of operations may fluctuate based on factors related entirely to conditions in this industry.*
- *As TDS continues to implement its strategies, there are internal and external factors that could impact its ability to successfully meet its objectives.*
- *Any of the foregoing events or other events could cause revenues, customer additions, operating income, capital expenditures and or any other financial or statistical information to vary from TDS's forward estimates by a material amount.*
- *The market price of TDS's Common Shares and Special Common Shares is subject to fluctuations due to a variety of factors.*
- *Certain matters, such as control by the TDS Voting Trust and provisions in the TDS Restated Certificate of Incorporation, may serve to discourage or make more difficult a change in control of TDS.*

You are referred to a further discussion of these risks as set forth under "Risk Factors" in TDS's Annual Report on Form 10-K for the year ended December 31, 2005. TDS undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. Readers should evaluate any statements in light of these important factors.

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- *Changes in U.S. Cellular's enterprise value, changes in the supply or demand of the market for wireless licenses, adverse developments in the business or the industry in which U.S. Cellular is involved and/or other factors could require U.S. Cellular to recognize impairments in the carrying value of U.S. Cellular's license costs, goodwill and/or physical assets.*
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- *An increase of U.S. Cellular's debt in the future could subject U.S. Cellular to various restrictions and higher interest costs and decrease its cash flows and earnings.*
- *An inability to attract and/or retain management, technical, sales and other personnel could have an adverse effect on U.S. Cellular's business, financial condition or results of operations.*
- *U.S. Cellular has significant investments in entities that it does not control. Losses in the value of such investments could have an adverse effect on U.S. Cellular's results of operations or financial condition.*
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- *Material weaknesses in the effectiveness of internal control over financial reporting could result in inaccurate financial statements or other disclosures or fail to prevent fraud, which could have an adverse effect on U.S. Cellular's business, financial condition or results of operations.*
- *The pending SEC investigation regarding the restatement of U.S. Cellular's financial statements could result in substantial expenses, and could result in monetary or other penalties.*
- *The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from handsets, wireless data devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have an adverse effect on U.S. Cellular's business, financial condition or results of operations.*
- *U.S. Cellular's assets are concentrated in the U.S. telecommunications industry. As a result, its results of operations may fluctuate based on factors related entirely to conditions in this industry.*
- *As U.S. Cellular continues to implement its strategies, there are internal and external factors that could impact its ability to successfully meet its objectives.*
- *Any of the foregoing events or other events could cause revenues, customer additions, operating income, capital expenditures and or any other financial or statistical information to vary from U.S. Cellular's forward estimates by a material amount.*
- *The market price of U.S. Cellular's Common Shares is subject to fluctuations due to a variety of factors.*
- *Certain matters, such as control by TDS and provisions in the U.S. Cellular restated certificate of incorporation, may serve to discourage or make more difficult a change in control of U.S. Cellular.*
- *There are potential conflicts of interests between TDS and U.S. Cellular.*

You are referred to a further discussion of these risks as set forth under "Risk Factors" in U.S. Cellular's Annual Report on Form 10-K for the year ended December 31, 2005. U.S. Cellular undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. Readers should evaluate any statements in light of these important factors.