

2019 Estimated Results

TDS' current estimates of full-year 2019 results for U.S. Cellular, TDS Telecom, and TDS are shown below. Such estimates represent management's view as of February 22, 2019. 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.

2019 Estimated Results and Actual Results for the Year Ended December 31, 2018

	U.S. Cellular		TDS Telecom		TDS ⁽¹⁾	
	Estimate	Actual	Estimate	Actual	Estimate	Actual
(Dollars in millions)						
Total operating revenues	\$4,100-\$4,300	\$ 3,967	\$900-\$950	\$ 927	\$5,225-\$5,475	\$ 5,109
Adjusted OIBDA ⁽²⁾	\$725-\$875	\$ 790	\$280-\$310	\$ 303	\$1,000-\$1,180	\$ 1,079
Adjusted EBITDA ⁽²⁾	\$900-\$1,050	\$ 963	\$290-\$320	\$ 313	\$1,185-\$1,365	\$ 1,267
Capital expenditures	\$625-\$725	\$ 515	\$300-\$350	\$ 232	\$940-\$1,090	\$ 767

The following tables provide reconciliations of Net income to Adjusted OIBDA and Adjusted EBITDA for 2019 estimated results and actual results for the year ended December 31, 2018. In providing 2019 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.

	U.S. Cellular		TDS Telecom		TDS ⁽¹⁾	
	Estimate	Actual	Estimate	Actual	Estimate	Actual
(Dollars in millions)						
Net income (GAAP)	N/A	\$ 164	N/A	\$ 89	N/A	\$ 175
Add back:						
Income tax expense	N/A	51	N/A	16	N/A	46
Income before income taxes (GAAP)	\$60-\$210	\$ 215	\$85-\$115	\$ 105	\$50-\$230	\$ 221
Add back:						
Interest expense	115	116	—	(2)	175	172
Depreciation, amortization and accretion expense	710	640	205	212	945	883
EBITDA (Non-GAAP) ⁽²⁾	\$885-\$1,035	\$ 971	\$290-\$320	\$ 315	\$1,170-\$1,350	\$ 1,276
Add back or deduct:						
(Gain) loss on asset disposals, net	20	10	—	(2)	20	9
(Gain) loss on license sales and exchanges, net	(5)	(18)	—	—	(5)	(18)
Adjusted EBITDA (Non-GAAP) ⁽²⁾	\$900-\$1,050	\$ 963	\$290-\$320	\$ 313	\$1,185-\$1,365	\$ 1,267
Deduct:						
Equity in earnings of unconsolidated entities	155	159	—	—	155	160
Interest and dividend income	20	15	10	8	30	26
Other, net	—	(1)	—	2	—	2
Adjusted OIBDA (Non-GAAP) ⁽²⁾	\$725-\$875	\$ 790	\$280-\$310	\$ 303	\$1,000-\$1,180	\$ 1,079

Numbers may not foot due to rounding.

(1) The TDS column includes U.S. Cellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments.

(2) 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. Additional information and reconciliations related to Non-GAAP financial measures for December 31, 2018, can be found on TDS' website at investors.tdsinc.com.