

Telephone and Data Systems, Inc.

Guidance for year ending Dec. 31, 2012

Guidance for the year ending Dec. 31, 2012, as of Nov. 7, 2012, is provided below, compared to the previous guidance provided on Aug. 3, 2012. 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 this guidance.

	<u>2012 Estimated Results (1)</u>	<u>Previous Estimates (2)</u>
U.S. Cellular - Before Effects of Sprint Transaction - see Note (1)		
Service revenues	\$4,075-\$4,125 million	\$4,050-\$4,150 million
Operating income (3)	\$200-\$250 million	\$200-\$300 million
Depreciation, amortization and accretion expenses, and impairment of assets and net gain or loss on asset disposals and exchanges (3)	Approx. \$600 million	Unchanged
Adjusted OIBDA (3) (5)	\$800-\$850 million	\$800-\$900 million
Capital expenditures	Approx. \$850 million	Unchanged
	<u>2012 Estimated Results (4)</u>	<u>Previous Estimates (2)</u>
TDS Telecom		
Operating revenues	\$850-\$860 million	\$850-\$880 million
Operating income	\$40-\$50 million	\$50-\$70 million
Depreciation, amortization and accretion expenses, and impairment of assets and net gain or loss on asset disposals and exchanges (3)	Approx. \$195 million	Unchanged
Adjusted OIBDA (5)	\$235-\$245 million	\$245-\$265 million
Capital expenditures	\$175-\$190 million	\$170-\$190 million

- (1) These estimates are based on U.S. Cellular's current plans, which include a multi-year deployment of 4G LTE technology which commenced in 2011. New developments or changing conditions (such as customer net growth, customer demand for data services or possible acquisitions, dispositions or exchanges) could affect U.S. Cellular's plans and, therefore, its 2012 estimated results. These estimates are before the effects of the definitive agreement signed with Sprint, who will purchase U.S. Cellular customers and PCS Spectrum in certain Midwest markets. The Company expects to incur incremental operating expenses in the fourth quarter of 2012 in the range of \$30 to \$60 million for severance, incremental accelerated depreciation, asset write-downs and other costs related to this transaction, which will decrease Operating income, increase Depreciation, amortization and accretion expenses, and impairment of assets and net gain or loss on asset disposals and exchanges, and decrease OIBDA.
- (2) The 2012 Estimated Results as disclosed in TDS' Quarterly Report on Form 10-Q for the period ended June 30, 2012.
- (3) The 2012 Estimated Results do not include any estimate for unrecognized net gains or losses related to disposals and exchanges of assets or losses on impairment of assets (since such transactions and their effects are uncertain).
- (4) These estimates are based on TDS Telecom's current plans which include a multi-year deployment of IPTV that commenced in 2011. New developments or changing conditions (such as costs to deploy, agreements for content or franchises, or possible acquisitions, dispositions or exchanges) could affect TDS Telecom's plans and, therefore, its 2012 estimated results.
- (5) Adjusted OIBDA is defined as operating income excluding the effects of: depreciation, amortization and accretion (OIBDA); the loss on impairment of assets (if any); and the net gain or loss on asset disposals and exchanges (if any). Adjusted OIBDA excludes the loss on impairment of assets (if any) and net gain or loss on asset disposals and exchanges (if any) in order to show operating results on a more comparable basis from period to period. TDS does not intend to imply that any of such amounts that are excluded are non-recurring, infrequent or unusual; such gains or losses may occur in the future.
- Adjusted OIBDA is a segment measure reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. This amount may also be commonly referred to by management as operating cash flow. TDS believes this measure provides useful information to investors regarding TDS' financial condition and results of operations because it highlights certain key cash and non-cash items and their impacts on cash flows from operating activities. This amount should not be confused with Cash flows from operating activities, which is a component of the Consolidated Statement of Cash Flows.