

Business Segment Information

TDS Telecom

Three Months Ended or as of June 30, 2018	U.S. Cellular	Wireline	Cable	TDS Telecom Total ¹	Corporate, Eliminations and Other	Total
(Dollars in thousands)						
Operating revenues						
Service	\$ 740,581	\$ 173,149	\$ 56,682	\$ 229,531	\$ 22,410	\$ 992,522
Equipment and product sales	232,962	488	79	567	28,815	262,344
Total operating revenues	973,543	173,637	56,761	230,098	51,225	1,254,866
Cost of services (excluding Depreciation, amortization and accretion reported below)	186,719	66,668	26,630	93,049	19,797	299,565
Cost of equipment and products	239,567	338	11	348	26,516	266,431
Selling, general and administrative	342,301	49,616	14,558	64,123	10,269	416,693
Depreciation, amortization and accretion	159,110	35,536	17,794	53,329	7,955	220,394
(Gain) loss on asset disposals, net	812	606	329	935	(2)	1,745
(Gain) loss on license sales and exchanges, net	(10,637)	—	—	—	—	(10,637)
Operating income (loss)	55,671	20,874	(2,560)	18,315	(13,311)	60,675
Equity in earnings of unconsolidated entities	39,977	11	—	11	481	40,469
Interest and dividend income	2,972	1,642	250	1,892	1,214	6,078
Interest expense	(29,025)	464	(5)	459	(14,384)	(42,950)
Other, net	106	702	(178)	524	13	643
Income (loss) before income taxes	69,701	23,694	(2,493)	21,201	(25,987)	64,915
Income tax expense (benefit)	18,168			5,286	(3,004)	20,450
Net income (loss)	51,533			15,914	(22,982)	44,465
Add back:						
Depreciation, amortization and accretion	159,110	35,536	17,794	53,329	7,955	220,394
(Gain) loss on asset disposals, net	812	606	329	935	(2)	1,745
(Gain) loss on license sales and exchanges, net	(10,637)	—	—	—	—	(10,637)
Interest expense	29,025	(464)	5	(459)	14,384	42,950
Income tax expense (benefit)	18,168			5,286	(3,004)	20,450
Adjusted EBITDA	\$ 248,011	\$ 59,371	\$ 15,635	\$ 75,006	\$ (3,650)	\$ 319,367
Investments in unconsolidated entities	\$ 438,874	\$ 3,805	\$ —	\$ 3,805	\$ 34,814	\$ 477,493
Total assets	\$ 7,074,860	\$ 1,260,296	\$ 642,662	\$ 1,892,709	\$ 530,677	\$ 9,498,246
Capital expenditures	\$ 85,610	\$ 33,252	\$ 13,083	\$ 46,335	\$ 6,153	\$ 138,098

Numbers may not foot due to rounding

¹ TDS Telecom Total includes eliminations between the Wireline and Cable segments.

TDS Telecom

Six Months Ended or as of June 30, 2018	U.S. Cellular	Wireline	Cable	TDS Telecom Total ¹	Corporate, Eliminations and Other	Total
(Dollars in thousands)						
Operating revenues						
Service	\$ 1,464,574	\$ 348,148	\$ 112,074	\$ 459,641	\$ 46,279	\$ 1,970,494
Equipment and product sales	450,676	902	93	995	57,926	509,597
Total operating revenues	1,915,250	349,050	112,168	460,637	104,204	2,480,091
Cost of services (excluding Depreciation, amortization and accretion reported below)	365,289	131,397	52,384	183,302	38,596	587,187
Cost of equipment and products	458,683	760	20	780	52,895	512,358
Selling, general and administrative	668,185	96,617	27,856	124,371	20,037	812,593
Depreciation, amortization and accretion	317,791	72,424	35,035	107,459	16,099	441,349
(Gain) loss on asset disposals, net	2,174	700	579	1,279	–	3,453
(Gain) loss on license sales and exchanges, net	(17,374)	–	–	–	–	(17,374)
Operating income (loss)	120,502	47,152	(3,707)	43,445	(23,422)	140,525
Equity in earnings of unconsolidated entities	77,706	11	–	11	706	78,423
Interest and dividend income	6,607	2,685	429	3,114	1,755	11,476
Interest expense	(58,076)	852	(19)	833	(28,803)	(86,046)
Other, net	222	1,291	(228)	1,063	35	1,320
Income (loss) before income taxes	146,961	51,990	(3,525)	48,465	(49,728)	145,698
Income tax expense (benefit)	40,436			11,779	(7,760)	44,455
Net income (loss)	106,525			36,687	(41,969)	101,243
Add back:						
Depreciation, amortization and accretion	317,791	72,424	35,035	107,459	16,099	441,349
(Gain) loss on asset disposals, net	2,174	700	579	1,279	–	3,453
(Gain) loss on license sales and exchanges, net	(17,374)	–	–	–	–	(17,374)
Interest expense	58,076	(852)	19	(833)	28,803	86,046
Income tax expense (benefit)	40,436			11,779	(7,760)	44,455
Adjusted EBITDA	\$ 507,628	\$ 124,263	\$ 32,108	\$ 156,371	\$ (4,827)	\$ 659,172
Investments in unconsolidated entities	\$ 438,874	\$ 3,805	\$ –	\$ 3,805	\$ 34,814	\$ 477,493
Total assets	\$ 7,074,860	\$ 1,260,296	\$ 642,662	\$ 1,892,709	\$ 530,677	\$ 9,498,246
Capital expenditures	\$ 155,350	\$ 62,207	\$ 24,314	\$ 86,521	\$ 11,110	\$ 252,981

Numbers may not foot due to rounding

¹ TDS Telecom Total includes eliminations between the Wireline and Cable segments.