

Business Segment Information

		TDS Telecom				
	U.S Cellular	Wireline	Cable	TDS Telecom Total ¹	Corporate, Eliminations and Other	Total
Three Months Ended September 30, 2019						
(Dollars in thousands)						
Operating revenues						
Service	\$ 773,947	\$ 169,155	\$ 62,067	\$ 231,059	\$ 24,813	\$ 1,029,819
Equipment and product sales	256,826	290	28	317	34,285	291,428
Total operating revenues	1,030,773	169,445	62,095	231,377	59,097	1,321,247
Cost of services (excluding Depreciation, amortization, and accretion reported below)	199,215	67,767	26,767	94,421	18,883	312,519
Cost of equipment and products	266,125	244	8	252	28,657	295,034
Selling, general and administrative	357,752	52,418	14,911	67,279	14,784	439,815
Depreciation, amortization and accretion	180,141	32,538	17,068	49,605	7,599	237,345
(Gain) loss on asset disposals, net	5,210	141	96	237	83	5,530
(Gain) loss on sale of business and other exit costs, net	226	—	—	—	—	226
(Gain) loss on license sales and exchanges, net	1,709	—	—	—	—	1,709
Operating income (loss)	20,395	16,337	3,245	19,582	(10,908)	29,069
Equity in earnings of unconsolidated entities	43,964	—	—	—	250	44,214
Interest and dividend income	3,733	2,721	471	3,192	106	7,031
Interest expense	(28,739)	697	24	721	(14,432)	(42,450)
Other, net	(252)	86	(28)	58	(88)	(282)
Income (loss) before income taxes	39,101	19,841	3,713	23,553	(25,072)	37,582
Income tax expense (benefit)	14,630			5,178	(5,125)	14,683
Net income (loss)	24,471			18,375	(19,947)	22,899
Add back:						
Depreciation, amortization and accretion	180,141	32,538	17,068	49,605	7,599	237,345
(Gain) loss on asset disposals, net	5,210	141	96	237	83	5,530
(Gain) loss on sale of business and other exit costs, net	226	—	—	—	—	226
(Gain) loss on license sales and exchanges, net	1,709	—	—	—	—	1,709
Interest expense	28,739	(697)	(24)	(721)	14,432	42,450
Income tax expense (benefit)	14,630			5,178	(5,125)	14,683
Adjusted EBITDA	\$ 255,126	\$ 51,823	\$ 20,852	\$ 72,675	\$ (2,959)	\$ 324,842
Investments in unconsolidated entities	\$ 471,323	\$ 3,810	\$ —	\$ 3,810	\$ 36,294	\$ 511,427
Total assets	\$ 8,291,080	\$ 1,430,170	\$ 643,894	\$ 2,066,010	\$ 523,774	\$10,880,864
Capital expenditures	\$ 169,593	\$ 61,039	\$ 19,540	\$ 80,579	\$ 2,656	\$ 252,828

Numbers may not foot due to rounding.

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

		TDS Telecom				
	U.S Cellular	Wireline	Cable	TDS Telecom Total ¹	Corporate, Eliminations and Other	Total
Nine Months Ended September 30, 2019						
(Dollars in thousands)						
Operating revenues						
Service	\$ 2,272,285	\$ 511,509	\$ 183,415	\$ 694,067	\$ 71,902	\$ 3,038,254
Equipment and product sales	697,665	939	89	1,028	102,629	801,322
Total operating revenues	2,969,950	512,448	183,504	695,096	174,530	3,839,576
Cost of services (excluding Depreciation, amortization and accretion reported below)	568,186	195,100	79,164	273,556	58,386	900,128
Cost of equipment and products	723,758	755	30	784	83,153	807,695
Selling, general and administrative	1,027,301	148,375	44,432	192,659	39,456	1,259,416
Depreciation, amortization and accretion	524,648	98,711	51,100	149,811	22,985	697,444
(Gain) loss on asset disposals, net	12,646	(8,145)	652	(7,494)	110	5,262
(Gain) loss on sale of business and other exit costs, net	(1,464)	—	—	—	—	(1,464)
(Gain) loss on license sales and exchanges, net	(378)	—	—	—	—	(378)
Operating income (loss)	115,253	77,652	8,126	85,778	(29,558)	171,473
Equity in earnings of unconsolidated entities	127,800	4	—	4	1,531	129,335
Interest and dividend income	14,326	8,096	1,354	9,450	597	24,373
Interest expense	(86,703)	1,900	2	1,902	(43,244)	(128,045)
Other, net	(793)	312	(73)	238	(168)	(723)
Income (loss) before income taxes	169,883	87,963	9,408	97,371	(70,841)	196,413
Income tax expense (benefit)	55,154			23,083	(13,850)	64,387
Net income (loss)	114,729			74,288	(56,991)	132,026
Add back:						
Depreciation, amortization and accretion	524,648	98,711	51,100	149,811	22,985	697,444
(Gain) loss on asset disposals, net	12,646	(8,145)	652	(7,494)	110	5,262
(Gain) loss on sale of business and other exit costs, net	(1,464)	—	—	—	—	(1,464)
(Gain) loss on license sales and exchanges, net	(378)	—	—	—	—	(378)
Interest expense	86,703	(1,900)	(2)	(1,902)	43,244	128,045
Income tax expense (benefit)	55,154			23,083	(13,850)	64,387
Adjusted EBITDA	\$ 792,038	\$ 176,629	\$ 61,159	\$ 237,788	\$ (4,504)	\$ 1,025,322
Capital expenditures	\$ 466,774	\$ 144,981	\$ 47,676	\$ 192,658	\$ 4,309	\$ 663,741

Numbers may not foot due to rounding.

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