First Quarter 2016 Results

May 6, 2016

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U.S. Cellular®

First quarter highlights

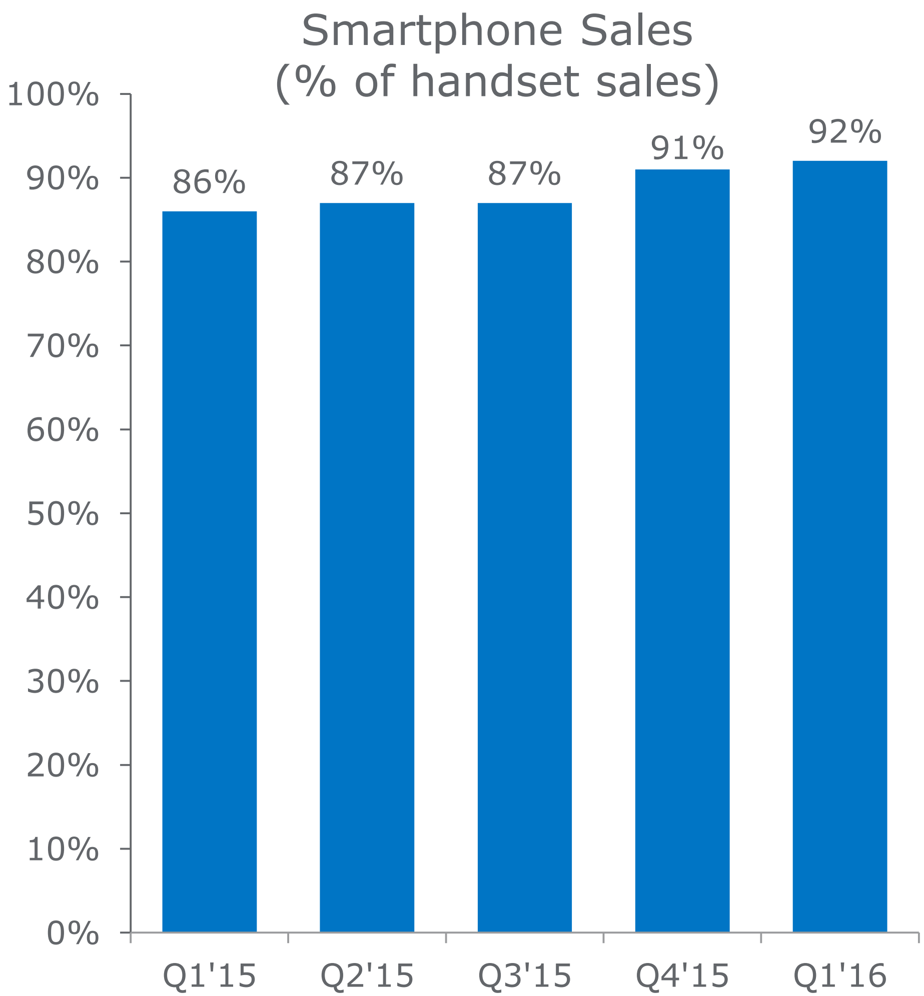
- Customer growth
  - Higher gross additions; postpaid up 8%
  - Continued churn improvements; postpaid churn down 14%
  - Net postpaid additions of 45,000 vs. 9,000
- Revenue trends
  - Customer growth, smartphone adoption and data monetization drive service revenues
  - Competitive pricing offsets customer growth and data growth
  - Stronger EIP adoption (69% take rate) drives equipment revenue growth
- Longer upgrade cycle
  - 7.6% upgrade rate in the first quarter
- Reduced unit costs
  - Loss on equipment per unit down 41%
  - General and administrative expenses per average customer down 11%
  - System operations expense per average customer down 7%

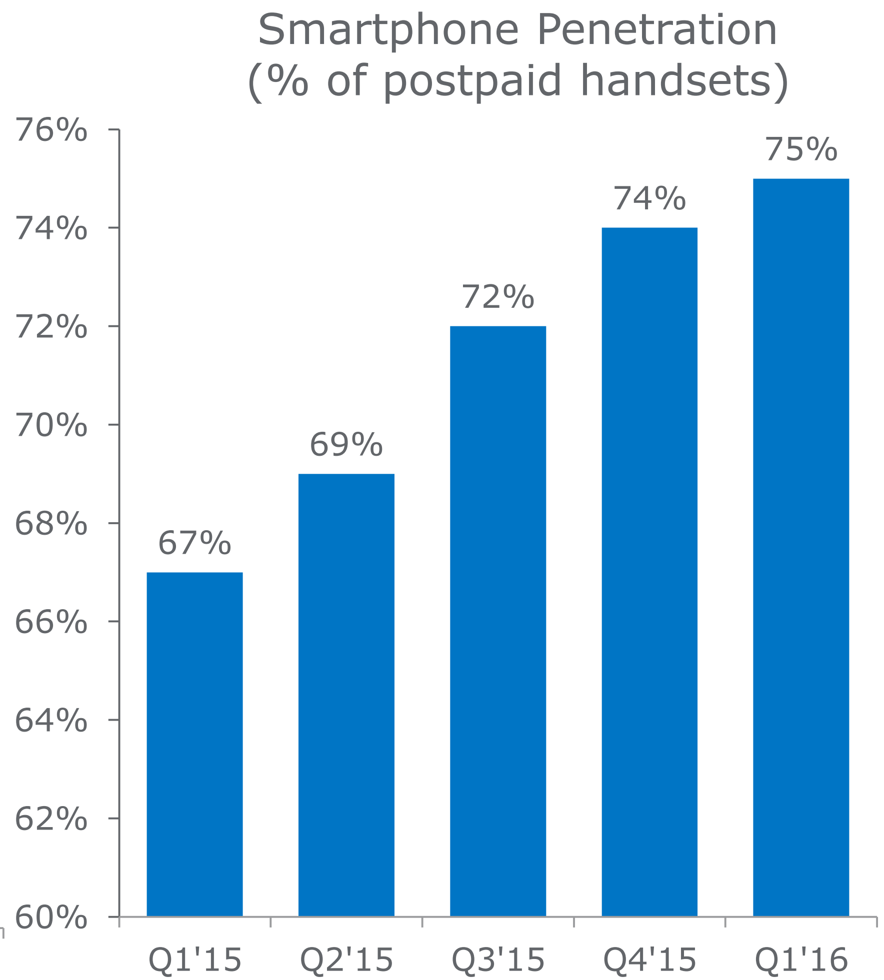
Customer results

	Q1 ’16	Q1 ’15
Postpaid gross additions	215,000	200,000
Postpaid churn	1.28%	1.48%
Postpaid net additions	45,000	9,000
Prepaid net additions	12,000	12,000
Retail net additions	57,000	21,000
Total retail customers	4,853,000	4,667,000

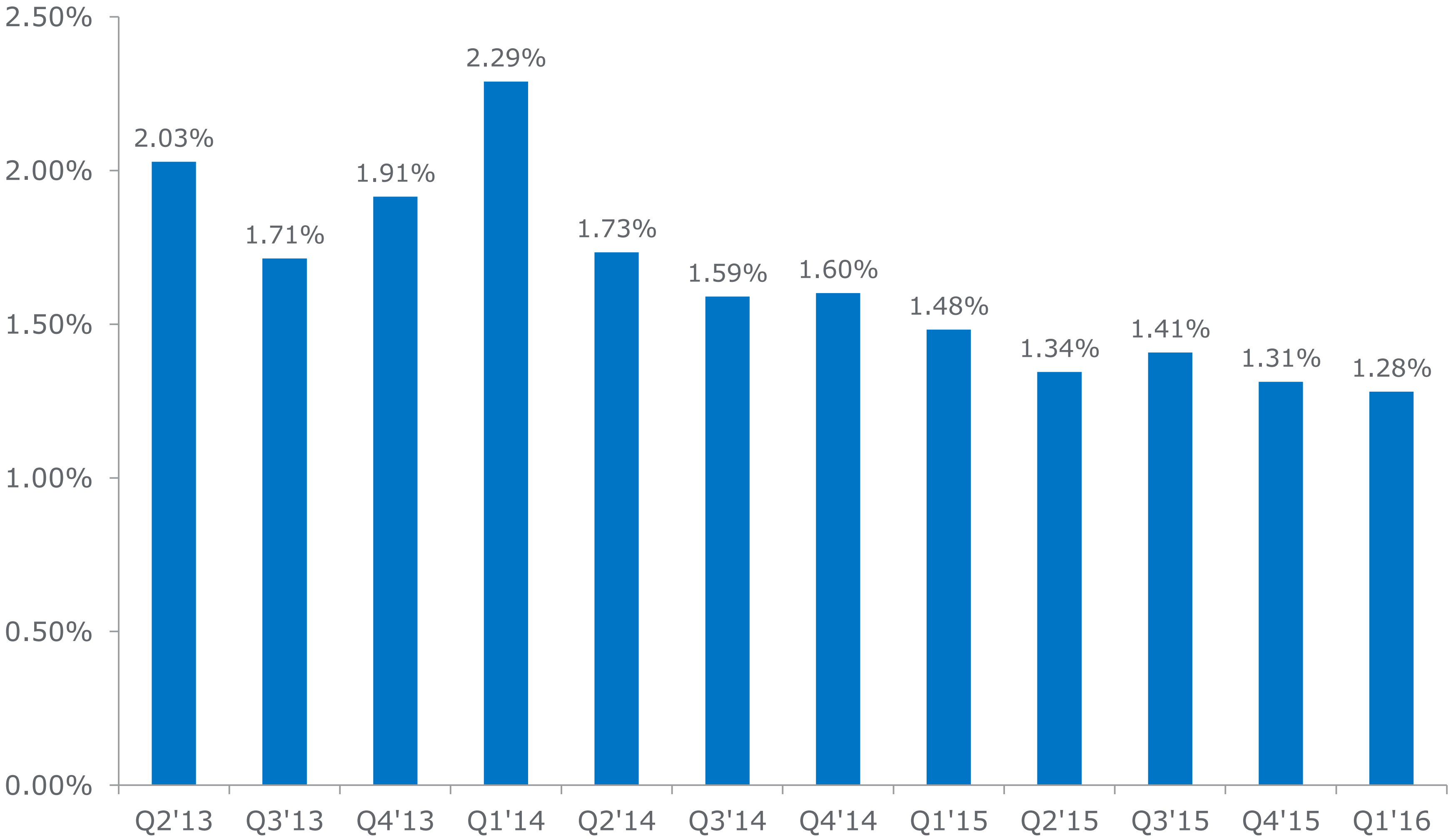
	Smartphones	Feature Phones	Connected Devices
Postpaid gross additions	124,000	9,000	82,000
Postpaid net additions	20,000	(25,000)	50,000

Smartphone sales and penetration





Postpaid churn rate



Total operating revenues

($ in millions)	Q1’16	Q1’15	% Change
Service revenues	$760	$828	(8%)
Retail service	682	747	(9%)
Roaming	36	40	(11%)
Tower rentals (1)	14	14	--
Other	28	27	1%
Equipment sales revenues	198	137	45%
Total operating revenues	$958	$965	(1%)

(1) On a comparable basis excluding divested towers in Q1’15, tower rentals increased 11%

Postpaid revenue

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	Q1'16	Q1'15	% Change
Average Revenue Per User	$48.13	$54.87	(12%)
Add: EIP billings	7.93	3.63	NM
Average Billings Per User	$56.06	$58.50	(4%)
Average Revenue Per Account	$125.36	$134.94	(7%)
Add: EIP billings	20.63	8.92	NM
Average Billings Per Account	$145.99	$143.86	1%
Postpaid Connections Per Account	2.62	2.47	6%
EIP Take Rate	69%	41%	27%

Operating cash flow

($ in millions)	Q1'16	Q1'15	% Change
Total operating revenues	$958	$965	(1%)
System operations expense	184	191	(4%)
Cost of equipment sold	256	238	8%
SG&A expenses	361	369	(2%)
Total cash expenses	801	798	--
Operating cash flow (1)	157	167	(6%)
Retail net additions	57,000	21,000	>100%

(1) Operating cash flow is a non-GAAP financial measures that is defined in the non-GAAP reconciliation at the end of the presentation

Adjusted EBITDA

($ in millions)	Q1’16	Q1’15	% Change
Operating cash flow[1]	$157	$167	(6%)
Equity in earnings of unconsolidated entities	35	34	2%
Interest and dividend income	13	8	75%
Adjusted EBITDA[1]	$206	$209	(2%)

(1) Operating cash flow and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation

2016 guidance (1)
Unchanged from previous estimates

($ in millions)	2016 Estimates (Current)	2015 As Reported (2)	2015 (Excluding rewards impact) (3)
Total operating revenues	$3,900 - $4,100	$3,997	$3,939
Operating cash flow (3)	$525 - $650	$675	$617
Adjusted EBITDA (3)	$725 - $850	$852	$794
Capital expenditures	Approx. $500	$533	$533

(1) There can be no assurance that final results will not differ materially from estimated results.
(2) Includes $58 million of operating revenues related to termination of the rewards program.
(3) Total operating revenues, Operating cash flow and Adjusted EBITDA (Excluding rewards impact), are non-GAAP financial measures and represent Total operating revenues, Operating cash flow and Adjusted EBITDA, respectively, less the $58 million impact of the termination of the rewards program in 2015. U.S. Cellular believes that such measures are useful to show the impact of the termination of the rewards program on such measures.
(4) Operating cash flow and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.

Regulatory update

- Special Access pricing
- Privacy rules for data services
- Lifeline program to support broadband services
- Universal Service Fund support for wireless broadband deployment

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TDS Telecom operating performance

($ in millions)	Q1'16	Q1'15	% Change
Wireline	$173	$176	(2%)
Cable	45	44	3%
HMS	64	61	5%
Total operating revenues [1]	$281	$280	--
Expenses [1][2]	205	201	2%
Adjusted EBITDA [3]	$ 76	$ 80	(4%)

(1) Reflects intercompany eliminations
(2) Represents cost of products and services and selling, general and administrative expenses
(3) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

First quarter Wireline highlights

Wireline Strategy:

- Fiber Strategy in most attractive markets (~25% IPTV-capable service addresses)
  - Complete targeted fiber deployment
  - Increase broadband and IPTV connections
  - Capital intensity declines as program completes
- Strategy in lower density markets
  - Deploy copper bonding to ~30% of service addresses to provide up to 50Mbps
  - Evaluating the USF Reform Order funding options in areas with no competition (~ 30% of service addresses)

	Q1’15	Q2’15	Q3’15	Q4’15	Q1’16	% Change (Y/Y)
IPTV connections	25,600	27,900	30,300	34,400	38,300	50%
Residential revenue per connection	$42.32	$42.10	$42.83	$41.24*	$43.28	2%
Take rate % at 10 MB or higher	42%	44%	45%	47%	49%	7%
Take rate % at 25 MB or higher	12%	13%	14%	16%	18%	6%
*managed*IP connections	143,200	145,100	145,900	147,100	148,500	4%

* Excluding discrete items, ARPU was $43.15

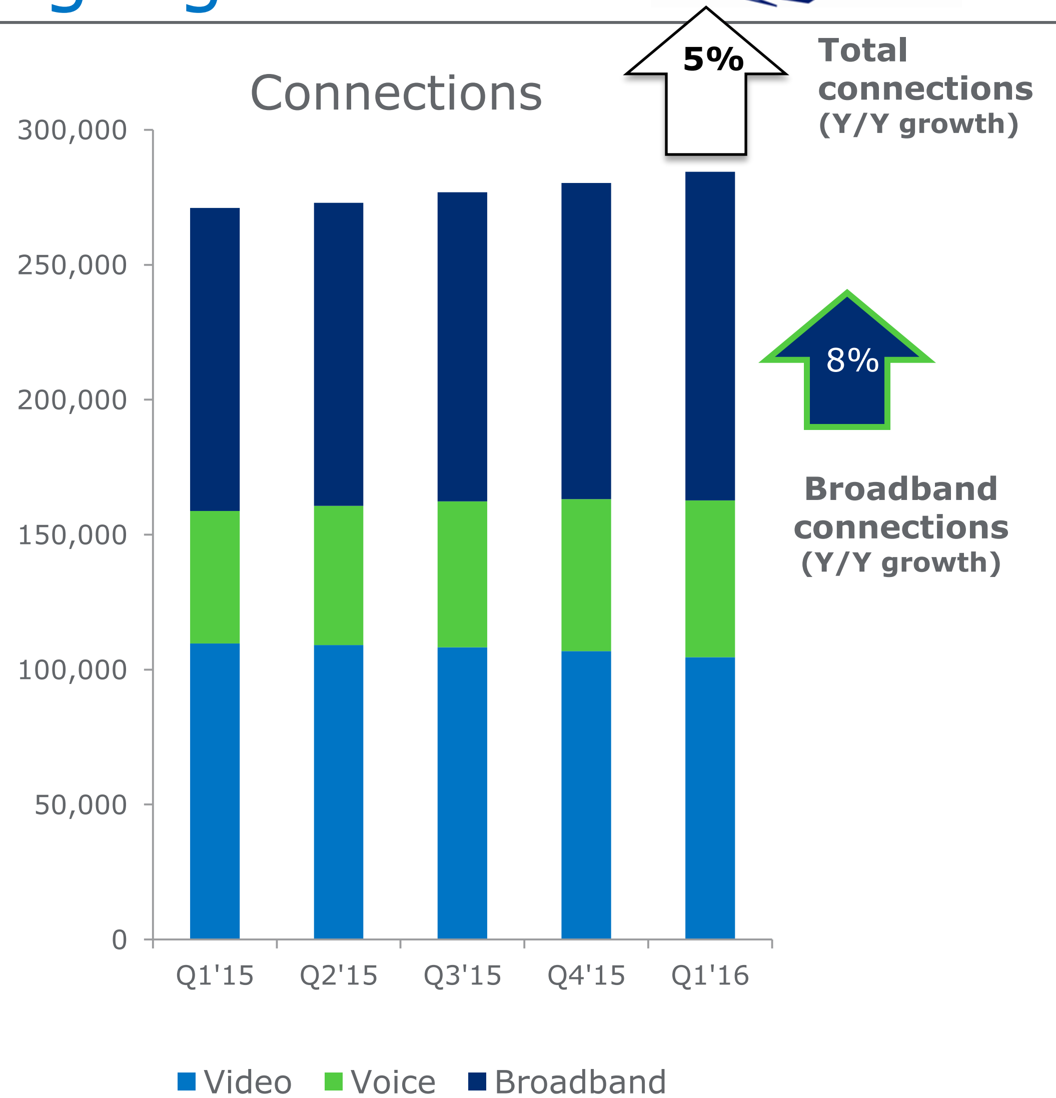
Wireline operating performance

($ in millions)	Q1'16	Q1'15	% Change
Residential	$ 76	$ 75	2%
Commercial	54	56	(4%)
Wholesale	43	45	(5%)
Total service revenues	$173	$176	(2%)
Expenses (1)	111	109	2%
Adjusted EBITDA (2)	$ 63	$ 68	(8%)

(1) Represents cost of products and services and selling, general and administrative expenses.
(2) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

First quarter Cable highlights

- Cable Strategy
  - Increase residential and commercial broadband customer connections
  - Leverage Wireline capabilities to create additional synergies
    - Internet connectivity, voice service and support systems connected to wireline's multi-gig network which enhances reliability and redundancy
    - Cable selling *managed*IP product
    - Leveraging finance, HR, legal, procurement
  - Continue to evaluate potential acquisitions



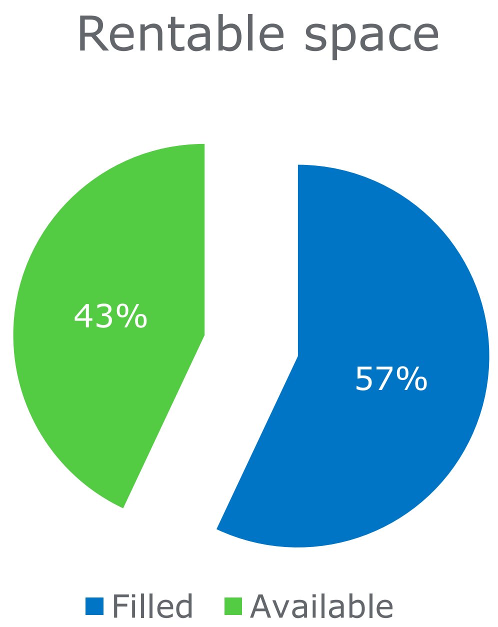
Cable operating performance

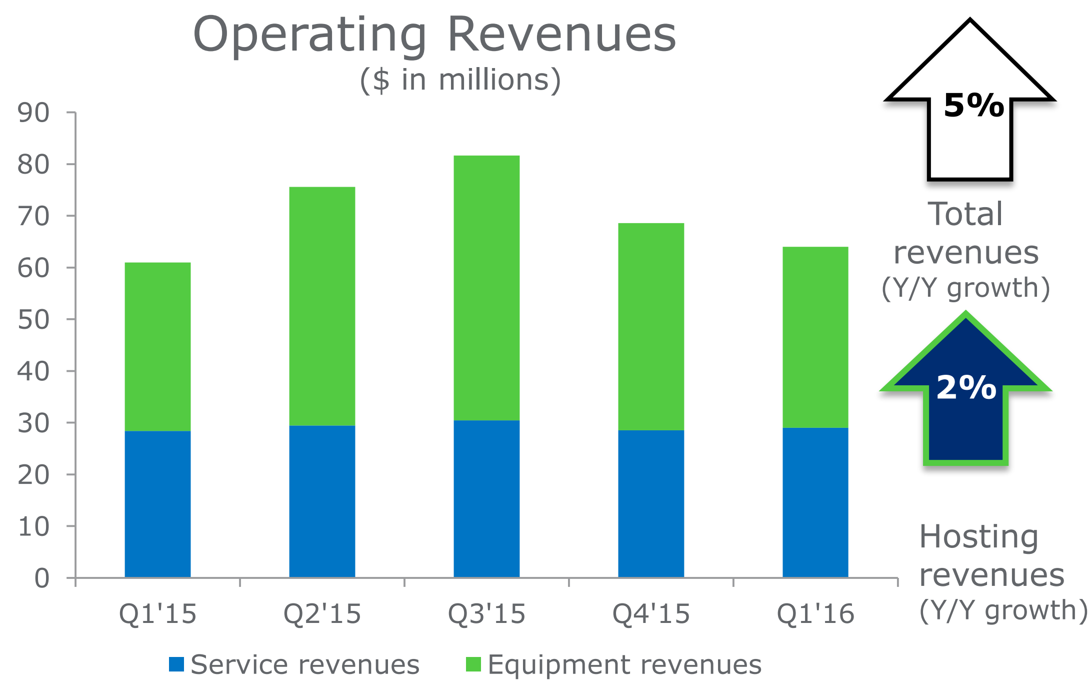
($ in millions)	Q1'16	Q1'15	% Change
Residential	$35	$35	1%
Commercial	10	9	10%
Total operating revenues	$45	$44	3%
Expenses (1)	34	33	6%
Adjusted EBITDA	$10	$11	(5%)

(1) Represents cost of products and services and selling, general and administrative expenses.
(2) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

First quarter HMS highlights

- HMS Strategy
  - Focus on growth of recurring service revenues
    - Sell across entire portfolio
    - Utilize new data center capacity





Hosted and Managed Services operating performance

($ in millions)	Q1'16	Q1'15	% Change
Service revenues	$29	$28	2%
Equipment sales	35	33	8%
Total operating revenues	$64	$61	5%
Expenses (1)	61	60	2%
Adjusted EBITDA (2)	$ 3	$ 1	>100%

(1) Represents cost of products and services and selling, general and administrative expenses.
(2) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

2016 TDS Telecom guidance [1]

Unchanged from previous estimates

($ in millions)	2016 Estimates (Current)	2015 Actual
Total operating revenues	$1,130 - $1,180	$1,158
Operating cash flow [2]	$270 - $310	$304
Adjusted EBITDA [2]	$270 - $310	$306
Capital expenditures	Approx. $180	$219

(1) There can be no assurance that final results will not differ materially from such estimated results.
(2) Operating cash flow and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.

Appendix

Operating Cash Flow and Adjusted EBITDA Reconciliation – Q1 2016 and Q1 2015

($ in millions)	Three months ended March 31, 2016						Three months ended March 31, 2015					
	U.S. Cellular	**Wireline**	**Cable**	**HMS**	**Total TDS Telecom**	**TDS (2)**	**U.S. Cellular**	**Wireline**	**Cable**	**HMS**	**Total TDS Telecom**	**TDS (2)**
Net income (loss) GAAP)	9	N/A	N/A	N/A	10	10	165	N/A	N/A	N/A	13	176
Add back:												
Income tax expense (benefit)	11	N/A	N/A	N/A	7	13	107	N/A	N/A	N/A	9	116
Income (loss) before income taxes (GAAP)	**20**	**22**	**--**	**(5)**	**17**	**23**	**272**	**27**	**1**	**(6)**	**22**	**292**
Add back:												
Interest expense	28	(1)	--	1	--	41	20	(1)	--	1	--	34
Depreciation, amortization and accretion expense	153	42	9	7	58	212	147	42	9	6	57	207
EBITDA	**201**	**63**	**9**	**3**	**75**	**276**	**439**	**68**	**10**	**1**	**79**	**533**
Add back:												
(Gain) loss on assets disposals, net	5	--	1	--	1	6	4	--	1	--	1	5
(Gain) loss on sale of business and other exit costs, net	--	--	--	--	--	--	(111)	--	--	--	--	(124)
(Gain) loss on license sales and exchanges, net	--	--	--	--	--	--	(123)	--	--	--	--	(123)
Adjusted EBITDA (3)	**206**	**63**	**10**	**3**	**76**	**282**	**209**	**68**	**11**	**1**	**80**	**291**
Deduct:												
Equity in earnings of unconsolidated entities	35	--	--	--	--	35	34	--	--	--	--	35
Interest and dividend income	13	1	--	--	1	14	8	--	--	--	--	8
Other, net	**1**	**--**	**(1)**	**--**	**(1)**	**--**	**--**	**1**	**--**	**--**	**1**	**--**
Operating cash flow (3) (4)	**157**	**62**	**11**	**3**	**76**	**233**	**167**	**67**	**11**	**1**	**79**	**248**

Operating Cash Flow and Adjusted EBITDA Reconciliation – 2016 Estimated

	2016 Estimated Results (1)			Actual Results Year ended December 31, 2015		
(Dollars in millions)	**U.S. Cellular**	**TDS Telecom**	**TDS(2)**	**U.S. Cellular**	**TDS Telecom**	**TDS (2)**
Net income (loss) (GAAP)	**N/A**	**N/A**	**N/A**	**$247**	**$46**	**$263**
Add back:						
Income tax expense (benefit)	N/A	N/A	N/A	$156	$35	$172
Income (loss) before income taxes (GAAP)	**$0-$125**	**$40-$80**	**$(20) -$145**	**$404**	**$81**	**$435**
Add back:						
Interest expense	$105	—	$160	$86	$1	$142
Depreciation, amortication and accretion	$600	$230	$840	$606	$228	$844
EBITDA	$705-$830	$270-$310	$980-$1,145	$1,096	$310	$1,421
Add back:						
(Gain) loss on sale of business and other exit costs, net	—	—	—	($114)	($10)	($136)
(Gain) loss on license sales and exchanges (5)	—	—	—	($147)	—	($147)
(Gain) loss on assets disposals, net	$20	—	$20	$16	$6	$22
Adjusted EBITDA (3)	$725-$850	$270-$310	$1,000-$1,165	$852	$306	$1,160
Deduct:						
Equity in earnings of unconsolidated entities	$140	—	$140	$140	—	$140
Interest and dividend income	$60	—	$60	$37	$2	$39
Operating cash flow (3)(4)	$525-$650	$270-$310	$800-$965	$675	$304	$981

(1) In providing 2016 and 2015 Estimated Results, TDS has not completed the above reconciliation to net income because it does not provide guidance for income taxes. TDS believes that the impact of income taxes cannot be reasonably predicted; therefore, the company is unable to provide such guidance.

(2) The TDS column includes U.S. Cellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments, all of which are not presented above.

(3) Operating cash flow is defined as net income, adjusted for the items set forth in the reconciliation above. Adjusted EBITDA (earnings before interest, taxes, depreciation, amortization and accretion), is defined as net income, adjusted for the items set forth in the reconciliation above. Operating income (loss) (excluding gains and losses), is defined as net income, adjusted for the items set forth in the reconciliation above. Operating cash flow, Adjusted EBITDA and Operating income (loss) (excluding gains and losses) exclude these items in order to show operating results on a more comparable basis from period to period. From time to time, TDS may exclude other items from Operating cash flow and/or Adjusted EBITDA and/or Operating income (loss) (excluding gains and losses) if such items help reflect operating results on a more comparable basis. TDS does not intend to imply that any such items that are excluded are non-recurring, infrequent or unusual; such items may occur in the future. Operating cash flow, Adjusted EBITDA and Operating income (loss) (excluding gains and losses) 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 as indicators of the company's operating performance or as alternatives to cash flows from operating activities, determined in accordance with GAAP, as indicators of cash flows or as measures of liquidity. TDS believes Operating cash flow, Adjusted EBITDA and Operating income (loss) (excluding gains and losses) are useful measures of TDS' operating results before significant recurring non-cash charges, gains and losses, and other items as indicated above.

(4) A reconciliation of Operating cash flow (Non-GAAP) and Operating income (excluding gains and losses) (Non-GAAP) to operating income (GAAP) for March 31, 2016 actual results can be found on the company's website at investors.tdsinc.com.

(5) In February 2016, U.S. Cellular entered into multiple agreements to exchange licenses. Agreements are subject to regulatory approval and other customary closing conditions, and are expected to close in 2016. Upon closing of the transactions, U.S. Cellular expects to record a gain. A reasonable estimate of the gains is unavailable at the time of this filing.