Third Quarter 2016 Results

November 4, 2016

Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995

All information set forth in this presentation, except historical and factual information, represents forward-looking statements. This includes all statements about the company's plans, beliefs, estimates, and expectations. These statements are based on current estimates, projections, and assumptions, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Important factors that may affect these forward-looking statements include, but are not limited to: intense competition; the ability to execute TDS' business strategy; uncertainties in TDS' future cash flows and liquidity and access to the capital markets; the ability to make payments on TDS and U.S. Cellular indebtedness or comply with the terms of debt covenants; impacts of any pending acquisitions/divestitures/exchanges of properties and/or licenses, including, but not limited to, the ability to obtain regulatory approvals, successfully complete the transactions and the financial impacts of such transactions; the ability of the company to successfully manage and grow its markets; the overall economy; the access to and pricing of unbundled network elements; the ability to obtain or maintain roaming arrangements with other carriers on acceptable terms; the state and federal telecommunications regulatory environment; the value of assets and investments; adverse changes in the ratings afforded TDS and U.S. Cellular debt securities by accredited ratings organizations; industry consolidation; advances in telecommunications technology; pending and future litigation; changes in income tax rates, laws, regulations or rulings; changes in customer growth rates, average monthly revenue per user, churn rates, roaming revenue and terms, the availability of wireless devices, or the mix of products and services offered by U.S. Cellular and TDS Telecom. Investors are encouraged to consider these and other risks and uncertainties that are discussed in documents furnished to the Securities and Exchange Commission.

U.S. Cellular®

Third quarter highlights

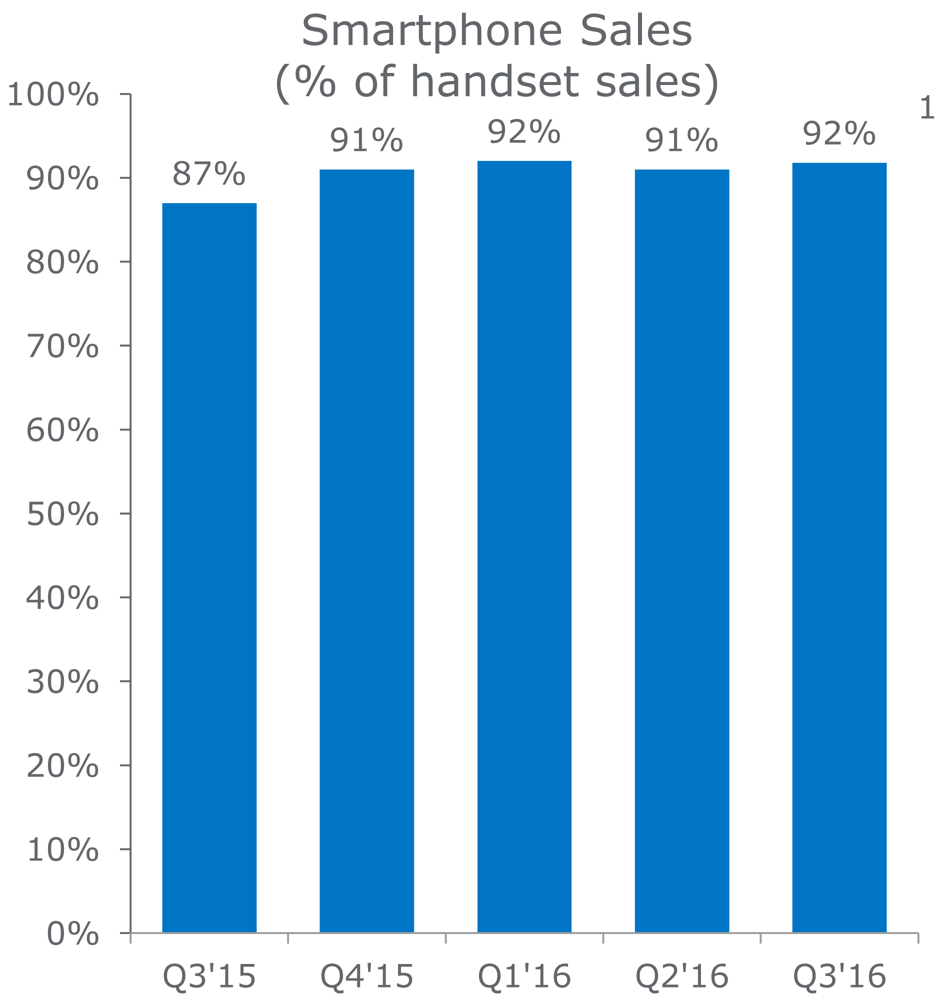
- Guidance reaffirmed – delivering on original expectations
- Retail net additions of 61,000
  - Postpaid net losses due to lower gross additions
  - Postpaid handset churn low at 1.22%
- Disruption in new device availability
  - Samsung Note 7 recall
  - iPhone launch
    - Strongest pre-sale activity
    - Severe inventory constraints at launch
- Transition in roaming, significant opportunity with VoLTE to increase roaming revenue
- Commercial launch of VoLTE in one major market is still on track for early 2017
- Successful 5G trial
- Disciplined promotional activity and strong cost management drive improved profitability

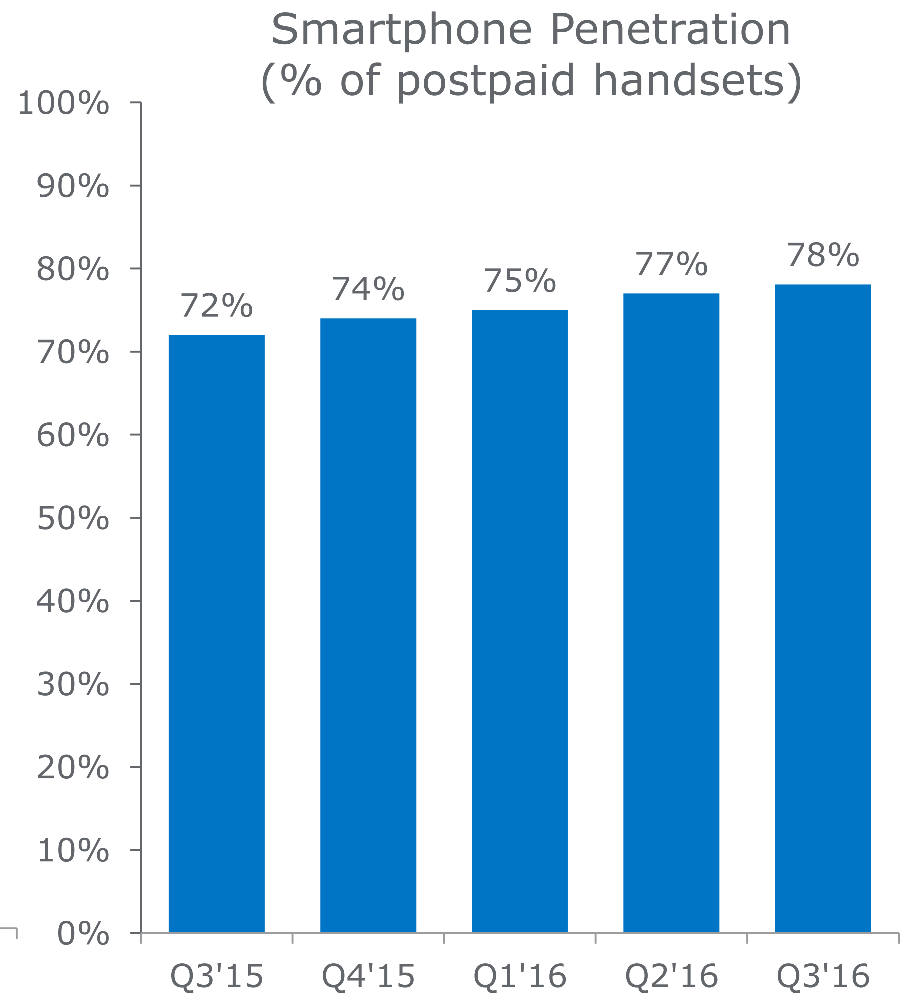
Connection Activity

	Q3 '16	Q3 '15
Postpaid gross additions	174,000	200,000
Postpaid churn	1.34%	1.41%
Postpaid net additions (losses)	(6,000)	17,000
Prepaid net additions	67,000	12,000
Retail net additions	61,000	29,000
Total retail connections	4,964,000	4,721,000
Average postpaid connections per account	2.66	2.53
EIP sales mix	79%	44%

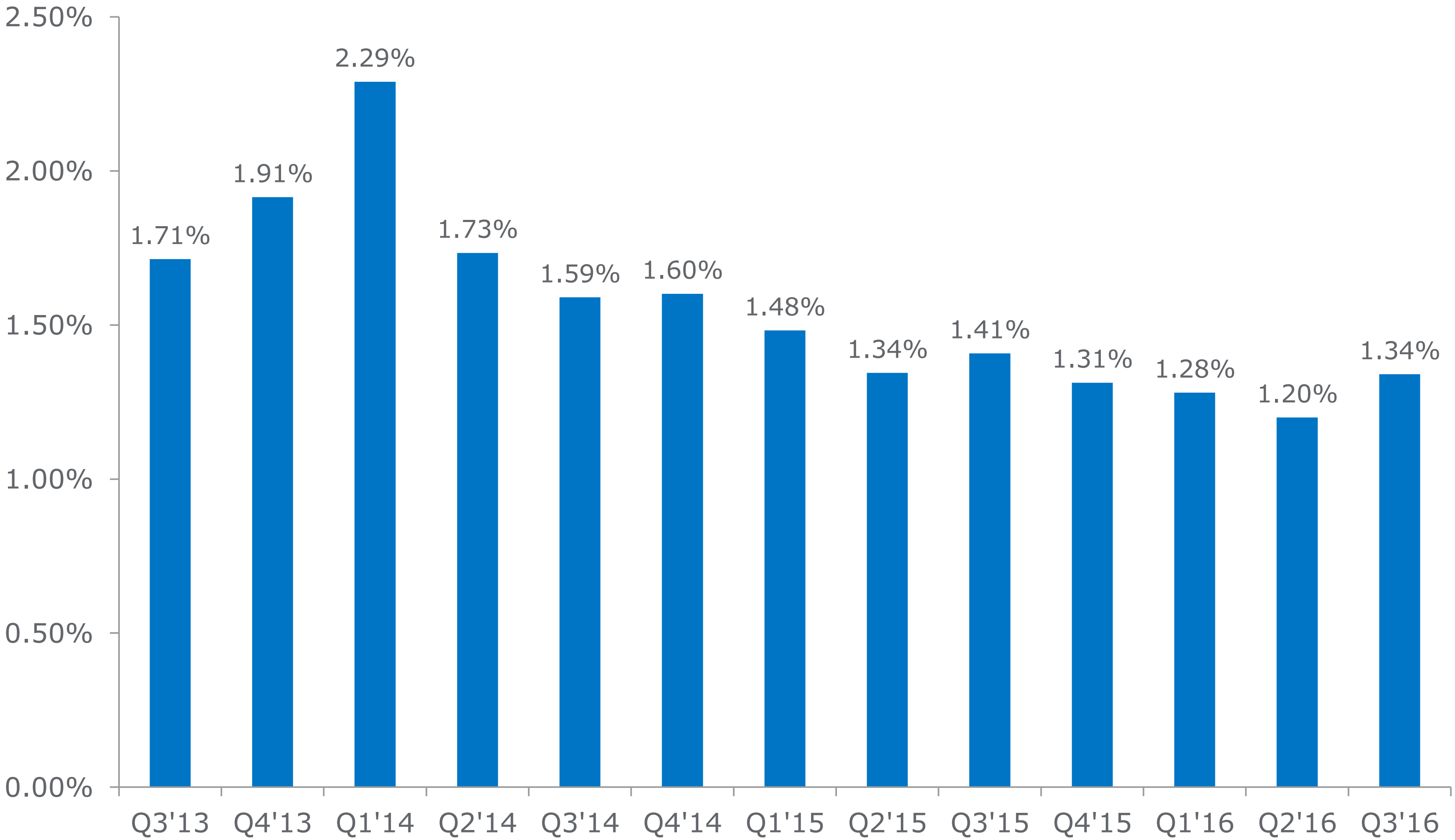
	Feature Phones	Smartphones	Connected Devices
Postpaid gross additions	10,000	105,000	59,000
Postpaid net additions (losses)	(20,000)	(7,000)	21,000

Smartphone sales and penetration





Postpaid churn rate



Total operating revenues

($ in millions)	Q3'16	Q3'15 (Excluding rewards impact)	Q3'15 (As reported)	% Change (Excluding rewards impact)
Service revenues	$771	$838(1)	$896	(8%)
Retail service	681	739(1)	797	(8%)
Roaming	45	59	59	(25%)
Tower rentals	14	13	13	12%
Other	31	27	27	11%
Equipment sales revenues	239	173	173	38%
Total operating revenues	$1,010	$1,011(1)	$1,069	--

(1) Service revenues (excluding rewards impact), retail service (excluding rewards impact) and total operating revenues (excluding rewards impact) are non-GAAP measures because $58 million related to the termination of the rewards program has been subtracted. U.S. Cellular believes that such measures are useful to show the impact of the termination of the rewards program. See reconciliation at the end of the presentation.

Postpaid revenue

	Q3'16	Q3'15	Change	% Change
Average Revenue Per User				
As reported	$47.08	$58.12	($11.04)	(19%)
Less: Impact of Rewards program termination	---	(4.48)	(4.48)	N/M
Adjusted(1)	47.08	53.64	(6.56)	(12%)
Add: EIP billings	9.71	5.76	3.95	69%
Adjusted ARPU plus EIP billings (ABPU)(1)(2)	$56.79	$59.40	($2.61)	(4%)
Average Revenue Per Account				
As Reported	$125.31	$147.00	($21.69)	(15%)
Less: Impact of Rewards program termination	---	(11.34)	(11.34)	N/M
Adjusted(1)	125.31	135.66	(10.35)	(8%)
Add: EIP billings	25.85	14.57	11.28	77%
Adjusted ARPA plus EIP billings (ABPA)(1)(2)	$151.16	$150.24	$ 0.92	1%

(1) ARPU/ABPU and ARPA/ABPA, as adjusted to eliminate the impact of the rewards program termination, are non-GAAP measures. U.S. Cellular believes that such measures are useful to show the impact of the termination of the rewards program. See reconciliation at the end of the presentation.

(2) ABPU and ABPA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.

Operating cash flow and Adjusted EBITDA

($ in millions)	Q3'16	Q3'15	% Change
Total operating revenues	$1,010	$1,069	(6%)
System operations expense	196	199	(1%)
Cost of equipment sold	280	287	(2%)
SG&A expenses	370	375	(1%)
Total cash expenses	846	861	(2%)
Operating cash flow(1)	$164	$208	(21%)
Adjusted EBITDA(1)	$216	$257	(16%)

(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.

Revenues, Operating cash flow and Adjusted EBITDA

($ in millions)	Q3'16	Q3'15	% Change
As reported			
Total operating revenues	$1,010	$1,069	(6%)
Operating cash flow(1)	$164	$208	(21%)
Adjusted EBITDA(1)	$216	$257	(16%)
Excluding discrete items(2):			
Total operating revenues	$1,010	$1,011	---
Operating cash flow	$177	$150	18%
Adjusted EBITDA	$229	$199	15%

(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.

(2) Total operating revenues, Operating cash flow and Adjusted EBITDA (excluding discrete items) are non-GAAP measures because they exclude the impacts of the termination of a naming rights agreement in 2016 (-$13 million) and the termination of the rewards program in 2015 (+$58 million). See 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)
Total operating revenues	$3,900 - $4,100	$3,997	$3,939[4]
Operating cash flow[3]	$525 - $650	$675	$617[4]
Adjusted EBITDA[3]	$725 - $850	$852	$794[4]
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) 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.
(4) Total operating revenues (excluding rewards impact), Operating cash flow (excluding rewards impact) and Adjusted EBITDA (excluding rewards impact) are non-GAAP measures because $58 million has been subtracted related to termination of the rewards program. U.S. Cellular believes that such measures are useful to show the impact of the termination of the rewards program. See reconciliation at end of presentation.

TDS®

bendbroadband™

OneNeck®
IT SOLUTIONS
a TDS® Company

TDS Telecom operating performance

($ in millions)	Q3'16	Q3'15	% Change
Wireline	$175	$175	---
Cable	46	44	5%
HMS	68	82	(17%)
Total operating revenues[1]	287	299	(4%)
Expenses[1][2]	217	224	(3%)
Adjusted EBITDA[3]	$ 71	$ 76	(7%)

(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.

Third 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 ~20% of service addresses to provide up to 50Mbps
  - Awaiting notification of USF Reform Order (ACAM) funding in areas with no competition (~ up to 30% of service addresses)

	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	% Change (Y/Y)
IPTV connections	30,300	34,400	38,300	41,200	43,600	44%
Residential revenue per connection	$42.83	$41.24*	$43.28	$43.67	$44.25	3%
*managed*IP connections	145,900	147,100	148,500	149,000	151,500	4%

	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Take rate % at 10 MB or higher	45%	47%	49%	50%	52%
Take rate % at 25 MB or higher	14%	16%	18%	19%	21%

*Includes discrete items which reduced ARPU by $1.91

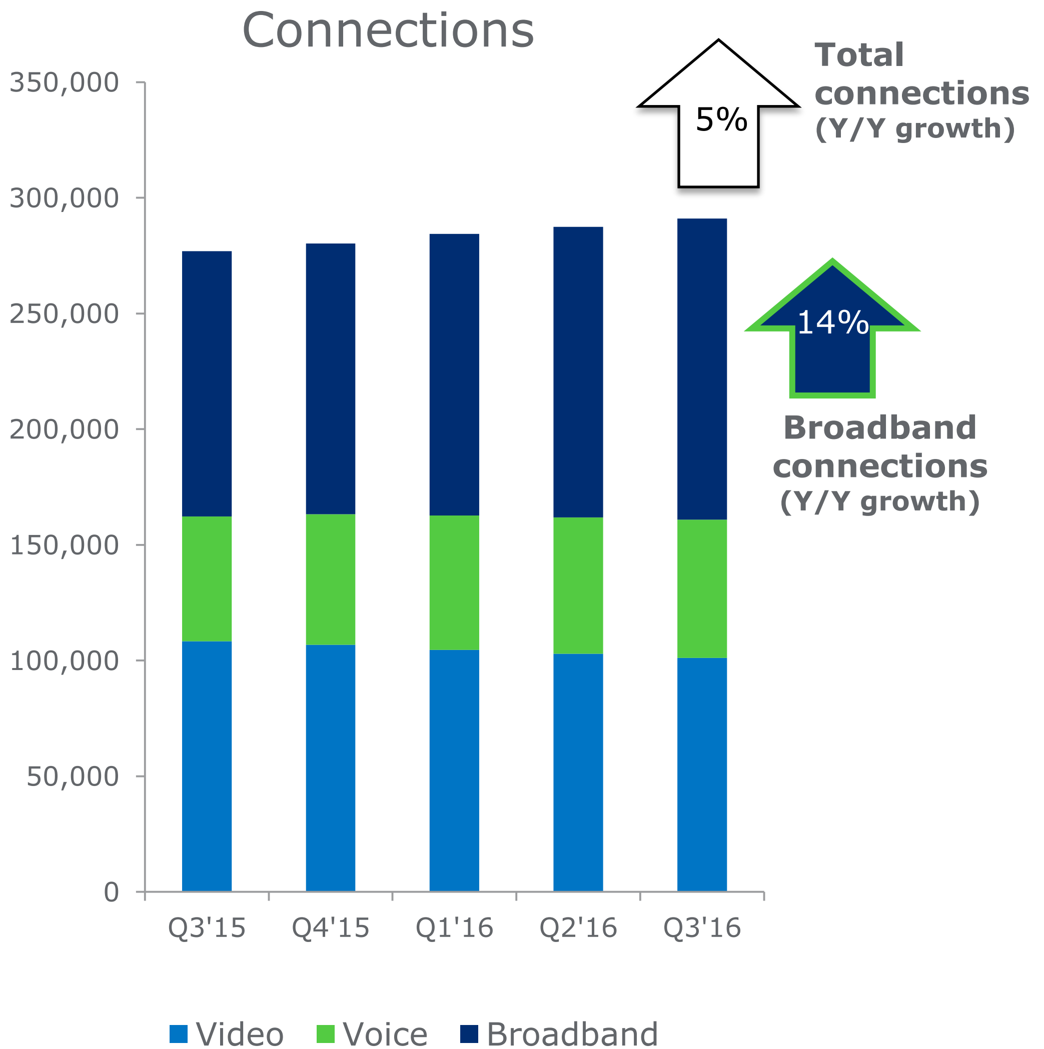
Wireline operating performance

($ in millions)	Q3'16	Q3'15	% Change
Residential	$ 78	$ 76	4%
Commercial	53	55	(4%)
Wholesale	43	44	(2%)
Total service revenues	174	175	---
Expenses(1)	117	114	3%
Adjusted EBITDA(2)	$ 58	$ 61	(6%)

(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.

Third 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

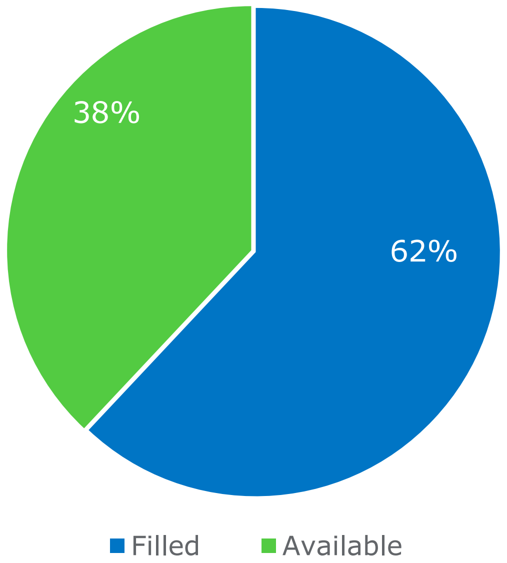
($ in millions)	Q3’16	Q3’15	% Change
Residential	$37	$35	6%
Commercial	9	9	4%
Total operating revenues	46	44	5%
Expenses(1)	36	34	7%
Adjusted EBITDA(2)	$10	$10	---

(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.

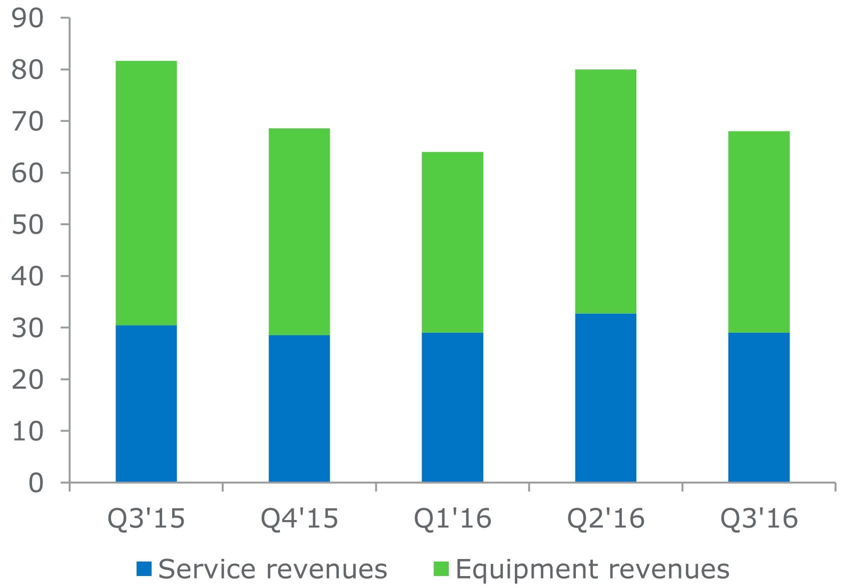
Third quarter HMS highlights

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

Rentable data center space



Operating Revenues
($ in millions)



Hosted and Managed Services operating performance

($ in millions)	Q3'16	Q3'15	% Change
Service revenues	$ 29	$ 30	(5%)
Equipment sales	39	51	(25%)
Total operating revenues	68	82	(17%)
Expenses(1)	65	77	(15%)
Adjusted EBITDA(2)	$ 3	$ 5	(45%)

(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 – Q3 2016 and Q3 2015

In providing 2016 and 2015 Estimated Results, TDS has not completed the below 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.

	Three months ended Sept. 30, 2016							Three months ended Sept. 30, 2015						
($ in millions)	U.S. Cellular (as reported)	U.S. Cellular (excluding termination of naming rights)	Wireline	Cable	HMS	Total TDS Telecom	TDS (1)	U.S. Cellular (as reported)	U.S. Cellular (excluding rewards impact)	Wireline	Cable	HMS	Total TDS Telecom	TDS (1)
Net income (loss) (GAAP)	$18	N/A	N/A	N/A	N/A	$7	$16	$65	N/A	N/A	N/A	N/A	$9	$62
Add back:														
Income tax expense (benefit)	15	N/A	N/A	N/A	N/A	4	14	41	N/A	N/A	N/A	N/A	8	46
Income (loss) before income taxes (GAAP)	**$33**	**$46**	**$17**	**--**	**$(6)**	**$11**	**$30**	**$106**	**$48**	**$19**	**$1**	**$(2)**	**$17**	**$108**
Add back:														
Interest expense	28	28	--	--	1	1	42	21	21	--	--	1	--	35
Depreciation, amortization and accretion expense	155	155	41	9	7	57	214	152	152	41	9	7	57	211
EBITDA (non-GAAP)	**$216**	**$229**	**$57**	**$9**	**$3**	**$69**	**$286**	**$279**	**$221**	**$60**	**$10**	**$5**	**$74**	**$354**
Add back:														
(Gain) loss on assets disposals, net	7	7	1	1	--	2	8	3	3	2	--	--	2	5
(Gain) loss on sale of business and other exit costs, net	---	---	--	--	--	--	--	(1)	(1)	--	--	--	--	(1)
(Gain) loss on license sales and exchanges, net	(7)	(7)	--	--	--	--	(7)	(24)	(24)	--	--	--	--	(24)
Adjusted EBITDA (2) (non-GAAP)	**$216**	**$229**	**$58**	**$10**	**$3**	**$71**	**$287**	**$257**	**$199**	**$61**	**$10**	**$5**	**$76**	**$334**
Deduct:														
Equity in earnings of unconsolidated entities	38	38	--	--	--	--	38	40	40	--	--	--	--	40
Interest and dividend income	14	14	1	--	--	1	15	9	9	1	--	--	1	10
Other, net	--	---	--	--	--	--	(1)	---	---	--	--	--	--	--
Operating cash flow (2) (3) (non-GAAP)	**$164**	**$177**	**$57**	**$10**	**$3**	**$70**	**$235**	**$208**	**$150**	**$61**	**$10**	**$5**	**$76**	**$284**

Operating Cash Flow and Adjusted EBITDA Reconciliation – 2016 Estimated

	2016 Estimated Results			Actual Results Year ended December 31, 2015		
(Dollars in millions)	**U.S. Cellular**	**TDS Telecom**	**TDS(1)**	**U.S. Cellular**	**TDS Telecom**	**TDS (1)**
Net income (loss) (GAAP)	**N/A**	**N/A**	**N/A**	**$247**	**$46**	**$263**
Add back:						
Income tax expense (benefit)	N/A	N/A	N/A	156	35	172
Income (loss) before income taxes (GAAP)	**$(5)-$120**	**40-80**	**$(25)-$140**	**$404**	**81**	**$435**
Add back:						
Interest expense	110	—	165	86	1	142
Depreciation, amortization and accretion	615	230	855	606	228	844
EBITDA	$720-$845	270-310	$995-$1,160	$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 (4)	(15)	—	(15)	(147)	—	(147)
(Gain) loss on assets disposals, net	20	—	20	16	6	22
Adjusted EBITDA (2)	$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 (2)(3)	$525-$650	270-310	$800-$965	$675	304	$981

Postpaid ABPU (5) and Postpaid ABPA (5) Reconciliation

(dollars and connection counts in millions)	**Three months ended Sept. 30 2016**	**Three months ended Sept. 30 2015** (as reported)	**Three months ended Sept. 30, 2015** (rewards impact)	**Three months ended Sept. 30 2015** (1) (Excluding rewards impact) (Non-GAAP metrics)
Calculation of Postpaid ARPU				
Postpaid service revenues	$635	$755	$58	697
Average number of postpaid connections	4.49	4.33	4.33	4.33
Number of months in period	3	3	3	3
Postpaid ARPU	**$47.08***	**$58.12***	$4.48	$53.64
Calculation of Postpaid ABPU (5)				
Postpaid service revenues	$635	$755	$58	697
Equipment installment plan billings	131	75	--	75
Total billings to postpaid connections	$766	$830	$58	$772
Average number of postpaid connections	4.49	4.33	4.33	4.33
Number of months in period	3	3	3	3
Postpaid ABPU (Non-GAAP metric) (5)	$56.79	$63.88	$4.48	$59.40
Calculation of Postpaid ARPA				
Postpaid service revenues	$635	$755	$58	$697
Average number of postpaid accounts	1.69	1.71	1.71	1.71
Number of months in period	3	3	3	3
Postpaid ARPA	**$125.31***	**$147.00***	$11.34	$135.66
Calculation of Postpaid ABPA (5)				
Postpaid service revenues	$635	$755	$58	$697
Equipment installment plan billings	131	75	---	75
Total billings to postpaid accounts	$766	$830	$58	$772
Average number of postpaid accounts	1.69	1.71	1.71	1.71
Number of months in period	3	3	3	3
Postpaid ABPA (Non-GAAP metric) (5)	$151.16	$161.57	$11.34	$150.24

* GAAP metric

U.S. Cellular Rewards Impact Reconciliation

(in millions)	**Three months ended 9/30/15** As reported (GAAP)	**Three months ended 9/30/15** Rewards Impact	**Three months ended 9/30/15** Excluding rewards impact (non-GAAP)	**Full Year-end 12/31/15** As reported (GAAP)	**Full Year-end 12/31/15** Rewards Impact	**Full Year-end 12/31/15** Excluding rewards impact (non-GAAP)
Service revenues	$ 896	$(58)	$ 838	$3,350	$(58)	$3,292
Retail service	797	(58)	739	2,994	(58)	2,936
Roaming	59	---	59	192	---	192
Tower rentals	13	---	13	53	---	53
Other	27	---	27	111	---	111
Equipment sales revenue	173	---	173	647	---	647
Total operating revenues	$1,069	$(58)	$1,011	$3,997	$(58)	$3,939
System operation expense	199	---	199	775	---	775
Cost of equipment sold	287	---	287	1,053	---	1,053
SG&A	375	---	375	1,494	---	1,494
Total cash expenses	861	---	861	3,322	---	3,322
Operating cash flow (non-GAAP)	$208	$(58)	$150	675	$(58)	$617
Equity in earnings of unconsolidated entities	40	---	40	140	---	140
Interest and dividend income	9	---	9	37	---	37
Adjusted EBITDA (non-GAAP)	$257	$(58)	$199	$852	$(58)	$794

As previously described, this table reconciles GAAP measures to non-GAAP measures showing the impact of $58 million related to the termination of the rewards program.

(1) 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.

(2) 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 cash flow is defined as net income adjusted for the items set forth in the reconciliation above. Adjusted EBITDA and Operating cash flow 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 Operating cash flow as measurements of profitability, and therefore reconciliations to applicable GAAP income measures are deemed most appropriate. Management believes Adjusted EBITDA and Operating cash flow 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 Operating cash flow 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 Adjusted EBITDA and Operating cash flow to the corresponding GAAP measure, Net income or Income (loss) before income taxes.

(3) A reconciliation of Operating cash flow (Non-GAAP) and Operating income (excluding gains and losses) (Non-GAAP) to operating income (GAAP) for September 30, 2016 actual results can be found on the company's website at investors.tdsinc.com.

(4) In 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 the fourth quarter of 2016. Upon closing of the transactions, U.S. Cellular expects to record a gain. As of September 30, 2016 two license closings occurred and U.S. Cellular recorded a gain of $16 million. For the remainder of the licenses a reasonable estimate of the gains is unavailable at the time of this filing.

(5) U.S. Cellular presents Postpaid ABPU and Postpaid ABPA to reflect the revenue shift from Service revenues to Equipment and product sales resulting from the increased adoption of equipment installment plans. Postpaid ABPU and Postpaid ABPA, as previously defined, are non-GAAP financial measures which U.S. Cellular believes are useful to investors and other users of its financial information in showing trends in both service and equipment revenues received from customers.