

Third Quarter 2013 Results
2013 Guidance





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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: impacts of any pending acquisition and divestiture transactions, 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; competition; 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; uncertainty of access to the capital markets; pending and future litigation; changes in income tax rates, laws, regulations or rulings; acquisitions/divestitures of properties and/or licenses; changes in customer growth rates, average monthly revenue per user, churn rates, roaming revenue and terms, the availability of handset 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 ("SEC").



Upcoming conferences

- 11/13/13 - Wells Fargo Securities Economics & Research Tech, Media & Telecom Conference (New York)
- 12/9/13 - UBS 41st Annual Global Media and Communications Conference (New York)
- 1/7/14 - Citi's 24th Annual Global Internet, Media and Telecommunications conference (Las Vegas)
- 2/10-2/12/14 - Stifel Technology, Internet & Media Conference (San Francisco)
- 3/3-3/6/14 - Morgan Stanley Technology, Media & Telecom Conference (San Francisco)
- 3/10-3/12/14 - Deutsche Bank 22nd Annual Media, Internet & Telecom Conference (Palm Beach)

Strategic Actions

- Continue to monetize non-strategic assets
 - Spectrum: nearly 75% of MHz pops sold for over \$400 million
 - Towers: process moving along
- Capital allocation strategy update
 - Invest in business
 - Closed Baja acquisition in August for \$267.5 million
 - Announced HMS acquisition in October for \$40 million
 - Returning value to TDS shareholders
 - Third quarter dividends - \$13.9 million
 - Shares repurchased since August 5 - \$5.8 million



Strategic priorities for 2013

- Completed implementation of new billing system
- Expanded device line-up – launching the iPhone and iPad on Nov. 8
- Nearing completion of 4G LTE to nearly 90% of customers by year-end
- Interoperability success

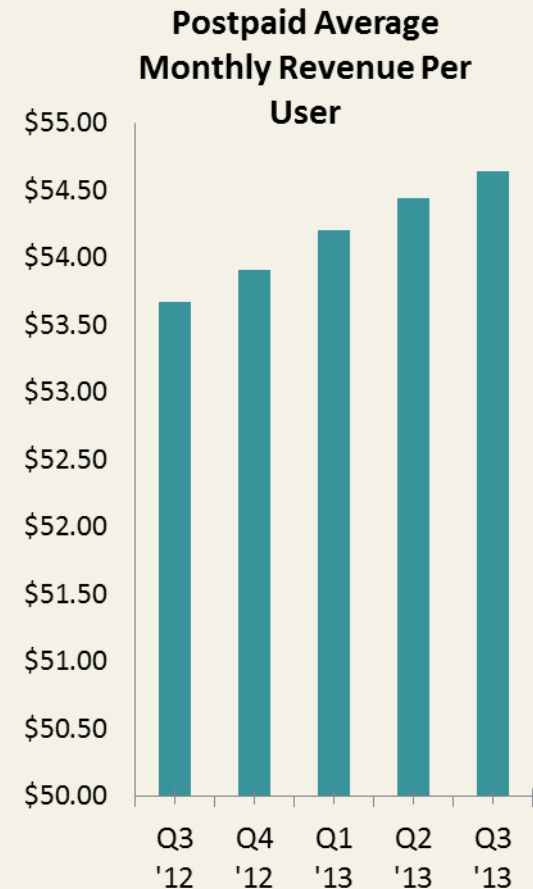
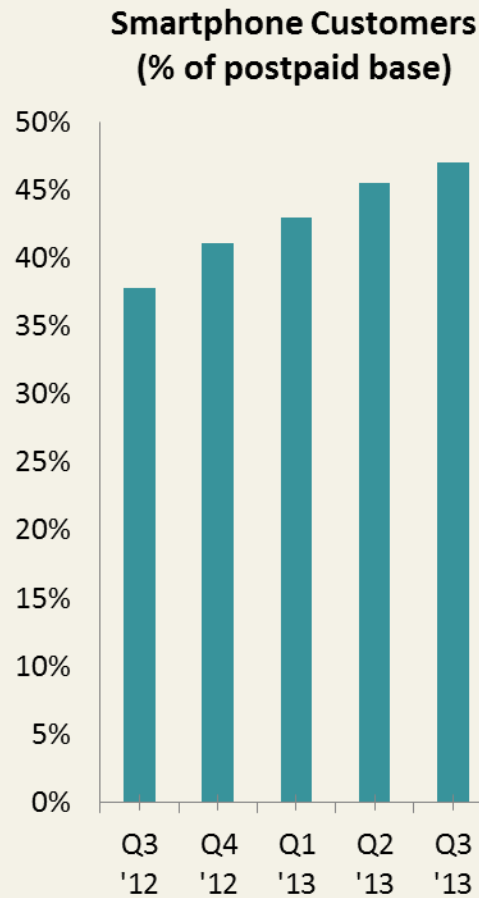
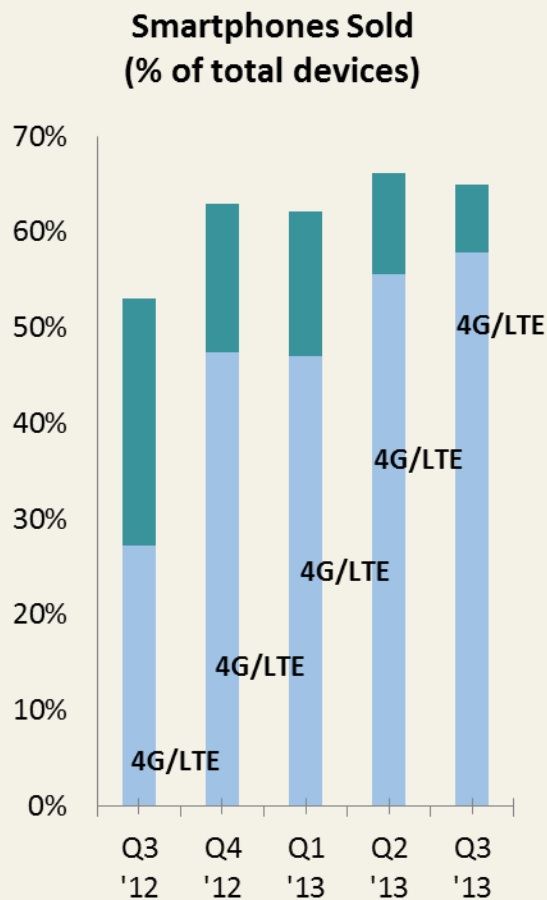


Core markets* – customer results

	Q3 '13	Q3 '12
Postpaid gross additions	165,000	196,000
Postpaid churn	1.7%	1.6%
Postpaid net (losses)	(60,000)	(23,000)
Prepaid net additions (losses)	(11,000)	59,000
Retail net additions (losses)	(71,000)	36,000
Total retail customers	4,713,000	4,820,000

Core markets* -

Continued growth in smartphone penetration



* See note at end of presentation for definition of Core markets

Core markets* – service revenues⁽¹⁾

(\$ in millions)	Q3 '13	Q3 '12
Service revenues	\$862.3	\$889.6
Retail service	752.3	758.5
Roaming	72.0	89.8
Other	38.0	41.3

(1) Service revenues for Q3 2012 is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation

Total company – financial performance

(\$ in millions)	Q3 '13	Q3 '12
Service revenues	\$862.3	\$1,036.4
System operations expense	177.4	249.2
Loss on equipment	116.5	144.0
SG&A expenses	410.5	438.5
Operating income (loss)	(43.2)	\$48.1
Total investment and other income	27.2	16.5
Adjusted income before income taxes ⁽¹⁾	\$194.7	\$219.2

(1) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

Impact of divestiture on Q3 operating income

	(\$ in millions)
Accelerated depreciation, amortization and accretion	\$45.6
Other costs	<u>(2.3)</u>
Total impact to operating income	\$43.3

Total company financial performance (cont.)

(\$ in millions, except per share amounts)	Q3 '13	Q3 '12
Net income (loss) attributable to U.S. Cellular shareholders	(\$ 9.9)	\$ 35.5
Diluted earnings (loss) per share attributable to U.S. Cellular shareholders	(\$0.12)	\$0.42
Cash flows from operating activities	(152.4)	196.5
Less: Cash used for additions to property, plant & equipment	199.0	181.2
Free cash flow ⁽¹⁾	(\$351.4)	15.3

(1) Free cash flow is defined as Cash flows from operating activities less Cash used for additions to property, plant and equipment. Free cash flow is a non-GAAP financial measure. U.S. Cellular believes that Free cash flow as reported by U.S. Cellular is useful to investors and other users of its financial information in evaluating the amount of cash generated by business operations, after Cash used for additions to property, plant and equipment.

2013 guidance ⁽¹⁾

(as of 11/01/13) (Dollars in millions)	Core Markets (2) Previous	Core Markets (2) Current	Divestiture Markets (2)(3) Previous	Divestiture Markets (2)(3) Current	Total Company (2)(3) Previous	Total Company (2)(3) Current
Service revenues	\$3,475 - \$3,575	\$3,450 - \$3,500	\$140	Unchanged	\$3,615 - \$3,715	\$3,590 - \$3,640
Adjusted income before income taxes (4)	\$560 - \$660	Unchanged	\$40	Unchanged	\$600 - \$700	Unchanged
Capital expenditures	\$730	Unchanged	\$5	Unchanged	\$735	Unchanged

Footnotes on following page

2013 guidance (cont.)

- (1) These estimates are based on U.S. Cellular's current plans, which include an expansion of the multi-year deployment of 4G LTE technology; such expansion includes deployment on 700 MHz in additional markets as well as deployment on the 850 MHz band to provide additional capacity for future growth in data usage, enable potential future 4G LTE roaming, and support the sale of Apple products. The financial impacts of selling Apple products in 2013 consist of the following:
- Increased Service revenues resulting from net incremental customers added and retained as a result of offering Apple products;
 - Decreased Adjusted income before income taxes as a result of net increases in costs, primarily loss on equipment sales as a result of offering Apple products; and
 - Increased Capital expenditures related to the deployment on the 850 MHz band to provide additional capacity for future growth in data usage, which includes capacity required to accommodate Apple products.

These estimates also reflect the impacts of the deconsolidation of certain partnerships as of April 2013. These estimates do not include (i) the reported gain on sale of business and other exit costs, net (ii) the reported gain on investments, or (iii) the actual or expected gains from pending spectrum license divestitures. New developments or changing conditions (such as, but not limited to, regulatory developments, customer net growth, customer demand for data services or possible acquisitions, dispositions or exchanges) could affect U.S. Cellular's plans and, therefore, its 2013 estimated results.

- (2) The U.S. Cellular Consolidated (Total Company) amounts represent GAAP financial measures and include the results of both the Core Markets and the Divestiture Markets. The amounts for the Core Markets and Divestiture Markets represent non-GAAP financial measures. U.S. Cellular believes that the amounts for the Core Markets and Divestiture Markets may be useful to investors and other users of its financial information in evaluating the separate results for the Core Markets. Divestiture Markets are comprised of U.S. Cellular's Chicago, central Illinois, St. Louis and certain Indiana/Michigan/Ohio markets. Core Markets are comprised of all other markets in which U.S. Cellular conducts business including Peoria, Rockford and certain other areas in Illinois, and in Columbia, Joplin, Jefferson City and certain other areas in Missouri. Core Markets as defined also includes any other income or expenses due to U.S. Cellular's direct or indirect ownership interests in other spectrum in the Divestiture Markets which was not included in the sale and other retained assets from the Divestiture Markets. Non-GAAP reconciliation at end of presentation.
- (3) These estimates reflect the Divestiture Transaction which closed on May 16, 2013.
- (4) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.





Strategic priorities for 2013

- MSN expands Hosted and Managed Services Platform into Rocky Mountain region
 - Solutions provider now enabled to sell full suite of products and services with an end-to-end solution to support middle market's IT needs
- TDS TV® – early results and expansion plans
- Baja integration under way
- Excellent progress on broadband stimulus projects





TDS Telecom operating performance

(\$ in millions)	Q3 '13	Q3 '12	Change
Wireline	\$181.8	184.1	(1%)
Cable	14.4	---	N/M
HMS	<u>38.7</u>	<u>36.4</u>	6%
Total operating revenues ⁽¹⁾	\$234.5	\$220.4	6%
Expenses ⁽²⁾	170.7	161.5	6%
Adjusted income before income taxes ⁽³⁾	\$ 63.9	\$ 59.4	8%

(1) Reflects intercompany eliminations.

(2) Represents cost of products and services and selling, general and administrative expenses.

(3) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.



Wireline operating performance

(in millions)	Q3 '13	Q3 '12	Change
Residential	\$ 74.3	\$ 74.4	---
Commercial	57.8	57.5	1%
Wholesale	<u>49.8</u>	<u>52.1</u>	(5%)
Total operating revenues	\$181.8	\$184.1	(1%)
Expenses ⁽¹⁾	121.5	125.4	(3%)
Adjusted income before income taxes ⁽²⁾	\$60.2	\$59.2	2%

(1) Represents cost of products and services and selling, general and administrative expenses.

(2) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation



Growth in residential broadband speeds and launch of IPTV driving wireline residential revenue growth

ILEC* Residential Customers by Broadband Speeds

	9/30/13	9/30/12
> 5 Mb	77%	69%
> 10 Mb	32%	24%

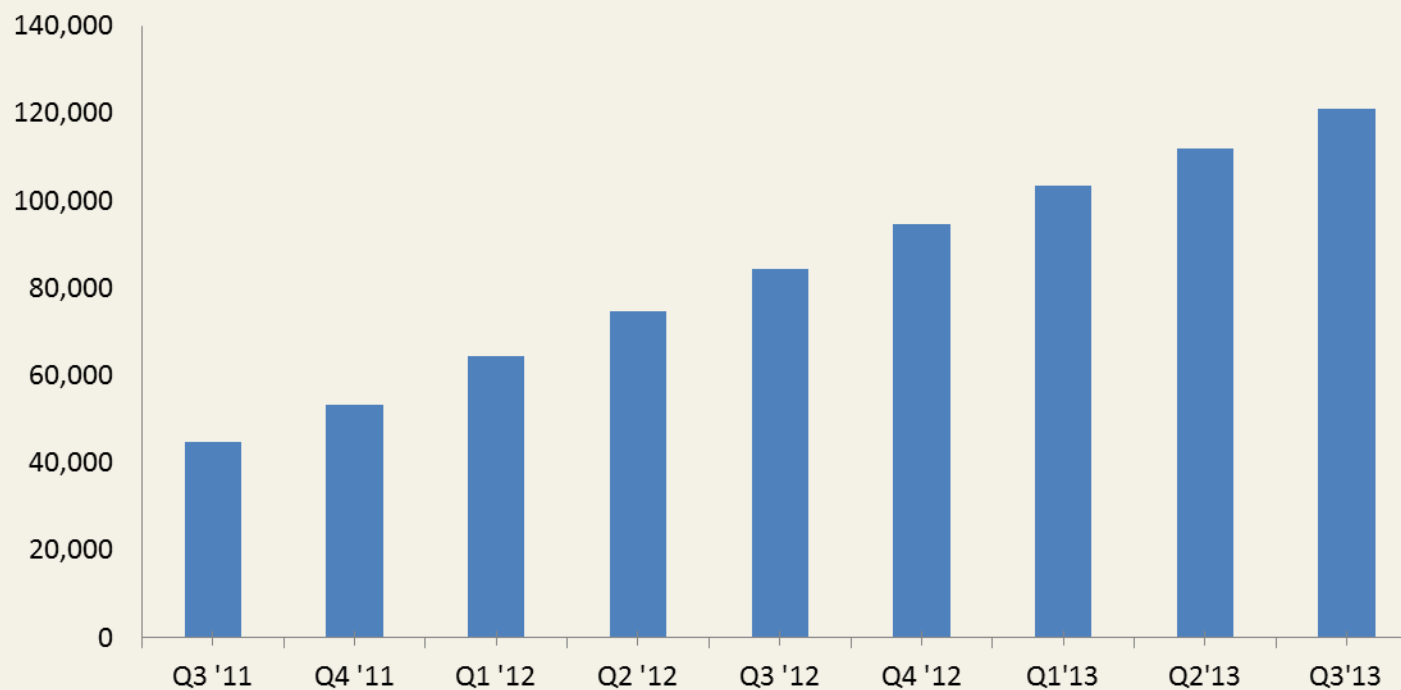
Wireline Residential Average Revenue Per Connection

	9/30/13	9/30/12
Voice	\$ 35.37	\$ 35.62
Broadband	\$ 42.95	\$ 41.16
IPTV	\$ 73.74	\$ 46.76

* At 9/30/13 ILEC residential broadband customers were 97% of the wireline total



*Wireline managed*IP connections increased 43%





Cable operating performance

- Results of Baja from August 1, 2013
- \$14.4 million revenues; \$11.9 million expenses, including \$1.8 million of transaction costs

9/30/13	Connections
Video	70,300
Broadband	59,800
Voice	16,800
Total Cable Connections	146,900

9/30/13	Industry Penetration	Baja Penetration
Video	40%	33%
Broadband	38%	28%
Voice	20%	8%



Hosted and Managed Services operating performance

(in millions)	Q3 '13	Q3 '12	Change
Recurring service revenues	20.0	18.2	10%
Equipment sales and other	<u>18.7</u>	<u>18.2</u>	3%
Operating revenues	\$38.7	\$36.4	6%
Expenses ⁽¹⁾	37.6	36.2	4%
Adjusted income before income taxes ⁽²⁾	1.3	0.2	>100%

(1) Represents cost of products and services and selling, general and administrative expenses.

(2) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation



2013 TDS Telecom guidance ⁽¹⁾

(as of 11/01/13) (Dollars in millions)	2013 Estimates Previous	2013 Estimates Current
Operating revenues	\$890 - \$930	\$920 - \$960
Adjusted income before income taxes (2)	\$230 - \$260	Unchanged
Capital expenditures	\$165	Unchanged

(1) These estimates are based on TDS' current plans which include the impacts of the acquisition of Baja Broadband, LLC as of August 1, 2013 and MSN Communications, Inc. as of October 4, 2013, and a multi-year deployment of IPTV. New developments or changing conditions (such as, but not limited to, regulatory developments, customer net growth, customer demand for data services, costs to deploy, agreements for content or franchises, or possible acquisitions, dispositions or exchanges) could affect TDS' plans and, therefore, its 2013 estimated results.

(2) Adjusted income before income taxes is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation

Non-GAAP reconciliation for Q3 2012 Core market* service revenues (1)

(\$ in millions)	Core Markets*	Divested Markets	NY1 & NY2	Consolidated
Service revenues	\$889.6	\$104.8	\$42.0	\$1,036.4
Retail Service	758.5	98.1	27.6	884.2
Roaming	89.8	4.6	11.7	106.1
Other	41.3	2.1	2.7	46.1

(1) Core markets Service revenues for 2012 is a non-GAAP financial measure adjusted to exclude the Divestiture Markets and the NY1 and NY2 Partnerships, which were deconsolidated on April 3, 2013. U.S. Cellular believes excluding these items is a useful measure of service revenues to help show results on a more comparable basis from period to period.



Non-GAAP reconciliations for current 2013 estimated results

(\$ in millions)	U.S. Cellular Core markets* (3)	U.S. Cellular Divestiture markets (3)	U.S. Cellular Consolidated (3)	TDS Telecom	TDS (4)
Adjusted operating revenues (1)	\$3,450-\$3,500	\$140	\$3,590-\$3,640	\$920-\$960	\$4,555-\$4,645
Adjusted income before income taxes (2)	\$560-\$660	\$40	\$600-\$700	\$230-\$260	\$830-\$960
Capital expenditures	\$730	\$5	\$735	\$165	\$910
Income (loss) before income taxes	\$315 -\$415	\$35	\$350 - \$450	\$25-\$55	\$360-\$490
Depreciation, amortization and accretion expense (5)	\$540	\$250	\$790	\$205	\$1,005
(Gain) loss on sale of business and other exit costs, net	---	(\$245)	(\$245)	---	(\$300)
(Gain) loss from spectrum license divestiture	(\$325)	---	(\$325)	---	(\$325)
(Gain) loss on investments	(\$20)	---	(\$20)	---	(\$15)
Interest expense	\$50	---	<u>\$50</u>	---	\$105
Adjusted income before income taxes (2)	<u>\$560-\$660</u>	<u>\$40</u>	<u>\$600-\$700</u>	<u>\$230-\$260</u>	<u>\$830-\$960</u>

* See note at end of presentation for definition of Core markets



Adjusted income before income taxes reconciliation – actual results

(\$ in millions)	Three Months Ended 09/30/13						Three Months Ended 09/30/12					
	U.S. Cellular Consolidated (3)	Wireline	Cable	HMS	TDS Telecom Total	TDS (4)	U.S. Cellular Consolidated (3)	Wireline	Cable	HMS	TDS Telecom Total	TDS (4)
Income before income taxes	(16.0)	19.7	(.5)	(5.4)	13.8	(17.8)	64.5	17.0	---	(5.5)	11.4	62.6
Depreciation, amortization and accretion expense (5)	201.0	42.1	2.9	6.3	51.3	255.3	145.2	42.8	---	5.5	48.3	196.2
(Gain) loss on sale of business and other exit costs, net	(1.5)	---	---	---	---	(1.5)	---	---	---	---	---	---
(Gain) loss on investments	---	(.8)	---	---	(.8)	---	---	---	---	---	---	---
Interest expense	<u>11.3</u>	<u>(.8)</u>	---	<u>.4</u>	<u>(.4)</u>	<u>24.9</u>	<u>9.5</u>	<u>(.6)</u>	---	<u>.3</u>	<u>(.3)</u>	<u>20.5</u>
Adjusted income before income taxes (2)	194.7	60.2	2.4	1.3	63.9	260.9	219.2	59.2	---	.2	59.4	279.4



- (1) Adjusted operating revenues is a non-GAAP financial measure defined as Operating revenues excluding U.S. Cellular Equipment sales revenues. U.S. Cellular Equipment sales revenues are excluded from Adjusted operating revenues since U.S. Cellular equipment is generally sold at a net loss, and such net loss that results from U.S. Cellular Equipment sales revenues less U.S. Cellular Cost of equipment sold is viewed as a cost of earning service revenues for purposes of assessing business results. For purposes of developing this guidance, TDS does not calculate an estimate of U.S. Cellular Equipment sales revenues. TDS believes this measure provides useful information to investors regarding TDS' results of operations. Adjusted operating revenues is not a measure of financial performance under GAAP and should not be considered as an alternative to Operating revenues as an indicator of the Company's operating performance.
- (2) Adjusted income before income taxes is a non-GAAP financial measure defined as Income before income taxes, adjusted for: Depreciation, amortization and accretion, net Gain or loss on sale of business and other exit costs (if any), net Gain or loss on investments (if any), and Interest expense. Adjusted income before income taxes excludes these items in order to show operating results on a more comparable basis from period to period. In the future, TDS may also exclude other items from adjusted income before income taxes if such items may help reflect operating results on a more comparable basis. TDS does not intend to imply that any such amounts that are excluded are non-recurring, infrequent or unusual; such amounts may occur in the future. Adjusted income before income taxes is not a measure of financial performance under GAAP and should not be considered as an alternative to Income before income taxes as an indicator of the Company's operating performance or as an alternative to Cash flows from operating activities, determined in accordance with GAAP, as an indicator of cash flows or as a measure of liquidity. TDS believes Adjusted income before income taxes is a useful measure of TDS' operating results before significant recurring non-cash charges, discrete gains and losses and financing charges (Interest expense).
- (3) The U.S. Cellular Consolidated amounts represent GAAP financial measures and include the results of both the Core Markets and the Divestiture Markets. The amounts for Core Markets and Divestiture Markets represent non-GAAP financial measures. TDS believes that the amounts for the Core Markets and Divestiture Markets may be useful to investors and other users of its financial information in evaluating the separate results for the Core Markets. Divestiture Markets are comprised of U.S. Cellular's Chicago, central Illinois, St. Louis and certain Indiana/Michigan/Ohio markets. Core Markets are comprised of all other markets in which U.S. Cellular conducts business including Peoria, Rockford and certain other areas in Illinois, and in Columbia, Joplin, Jefferson City and certain other areas in Missouri. Core Markets as defined also includes any other income or expenses due to U.S. Cellular's direct or indirect ownership interests in other spectrum in the Divestiture Markets which was not included in the sale and other retained assets from the Divestiture Markets.
- (4) 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.
- (5) The 2013 estimated amount for Depreciation, amortization and accretion expense in the U.S. Cellular Divestiture Markets includes approximately \$171 million of incremental accelerated depreciation, amortization and accretion resulting from the Divestiture Transaction. Actual results for the nine months ended September 30, 2013 and the year ended December 31, 2012 include \$134 million and \$20 million, respectively, of incremental accelerated depreciation, amortization and accretion resulting from the Divestiture Transaction.

Core markets, as defined in (3) above, exclude Divestiture Markets. For purposes of this presentation Core markets also exclude NY1 and NY2 Partnerships, which were deconsolidated on April 3, 2013, and are therefore not included in Q3 2013 amounts. For comparison purposes NY1 and NY2 Partnerships also were excluded from Q3 2012 amounts.

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