TDS®

Second Quarter 2018 Results

August 3, 2018

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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: 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 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.

Upcoming conferences

- 8/7/18 – Oppenheimer Annual Technology, Internet & Communications Conference (Boston)
  - From management: Vicki Villacrez and Jane McCahon
- 8/9/18 – Morgan Stanley Corporate Access Day (New York)
  - From management: Vicki Villacrez and Jane McCahon

U.S. Cellular®

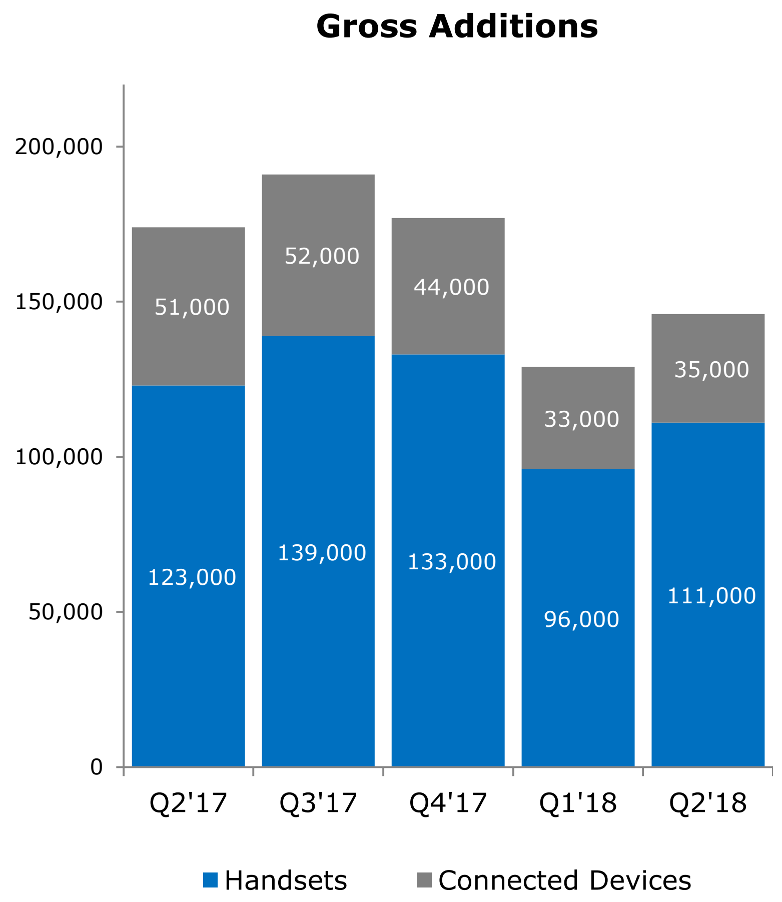
Executing on 2018 strategic priorities

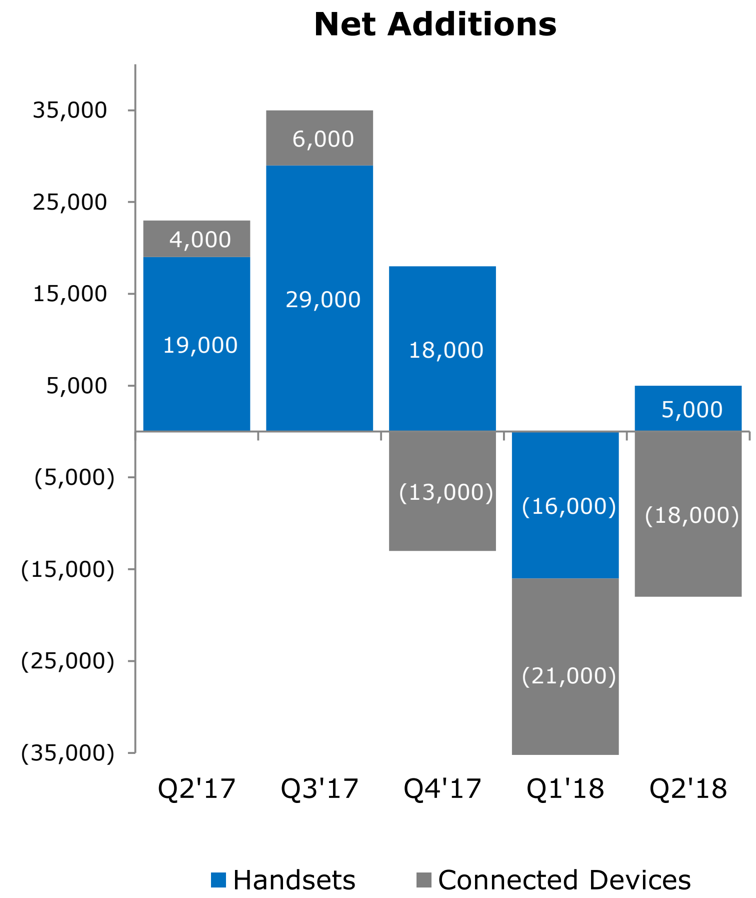
U.S. Cellular

- **Attract new customers and protect our base**
  - Sequential improvement in gross and net handset results
  - Postpaid handset churn remains very low at 0.92% in Q2
  - Total connections up 1%
- **Drive revenue growth**
  - Operating revenues up 1%, up 2% excluding ASC 606
- **Aggressive, yet economical, promotions and pricing**
- **Continue to drive improvements in cost structure**
- Adjusted EBITDA up 25%, up 30% excluding ASC 606
- Raised 2018 guidance
- **Invest in network**
  - Continued investment to meet growth in data
  - Ongoing VoLTE deployment
  - J.D. Power Award -"Highest Network Quality Performance among Wireless Cell Phone users in the North Central Region"

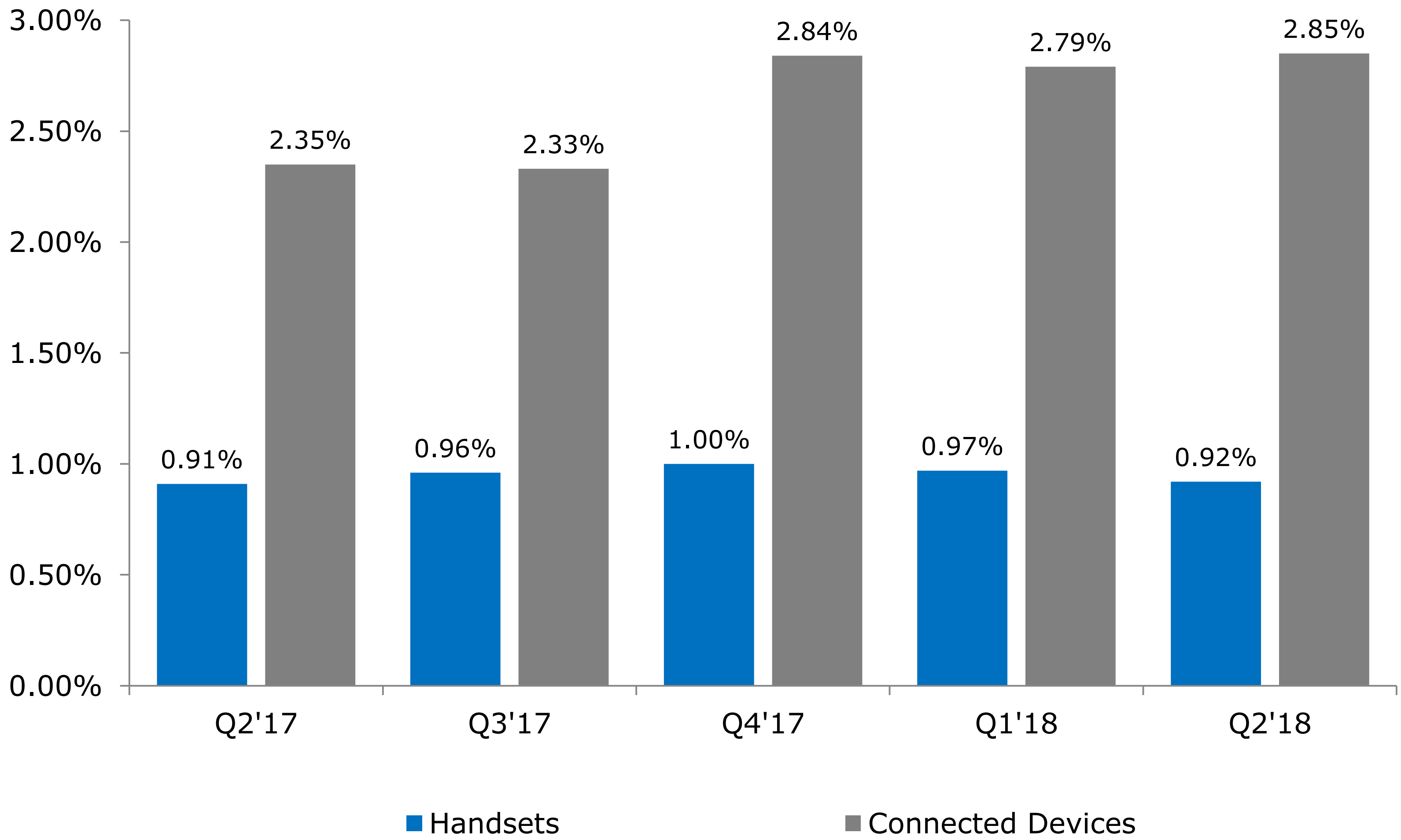
U.S. Cellular received the highest score in the North Central region in a tie for the J.D. Power 2016 (V2), 2017 (V1 & V2) and 2018 (V1 & V2) U.S. Wireless Network Quality Performance Studies of customers' experience with network quality with their wireless carrier. Visit jdpower.com/awards

Postpaid connections activity





Postpaid churn rate



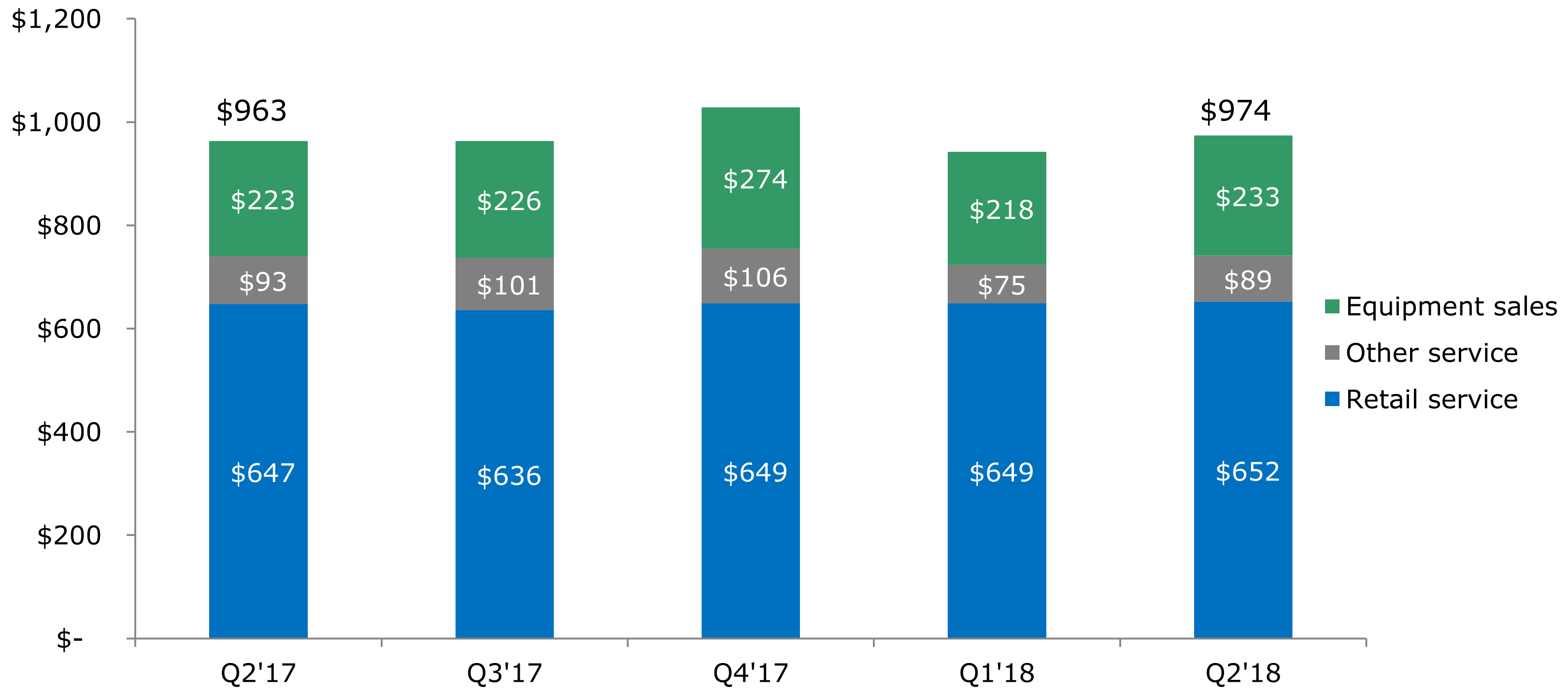
Impacts of New Revenue Recognition Accounting Standard (ASC 606) (1)

(in millions) Three months ended June 30, 2018	Results under prior accounting standard	Adjustment	As reported
Service revenues	$770	$(29)	$741
Equipment sales	212	21	233
Total operating revenues	982	(8)	974
System operations	187	—	187
Cost of equipment sold	242	(2)	240
Selling, general and administrative	339	3	342
Total cash expenses	768	1	769
Adjusted OIBDA (2)	$214	$(9)	$205

(1) As of January 1, 2018, U.S. Cellular adopted ASC 606 using a modified retrospective approach. To be comparable with previously reported results, current year amounts have been shown under both the prior and new accounting standard.
(2) Adjusted OIBDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation

Total operating revenues (1)

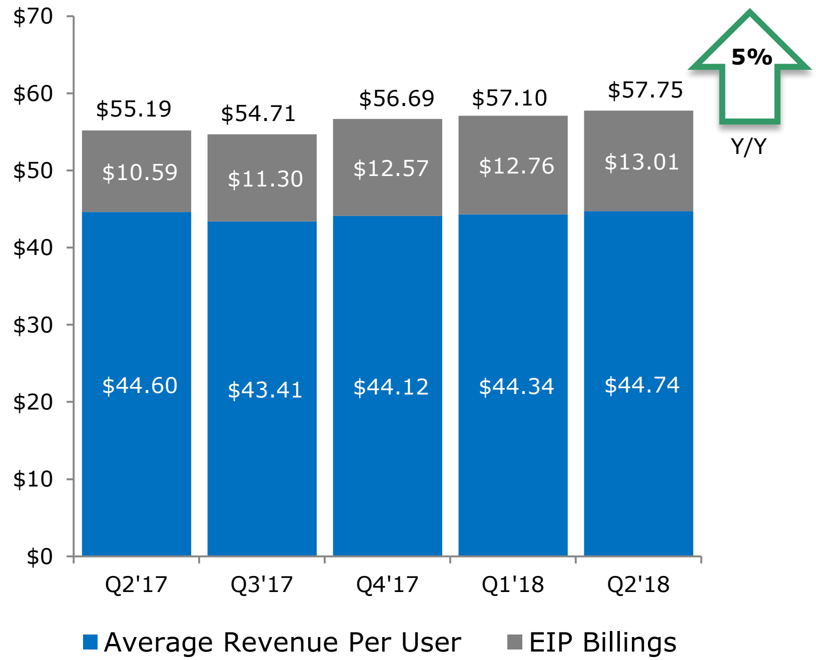
(in millions)

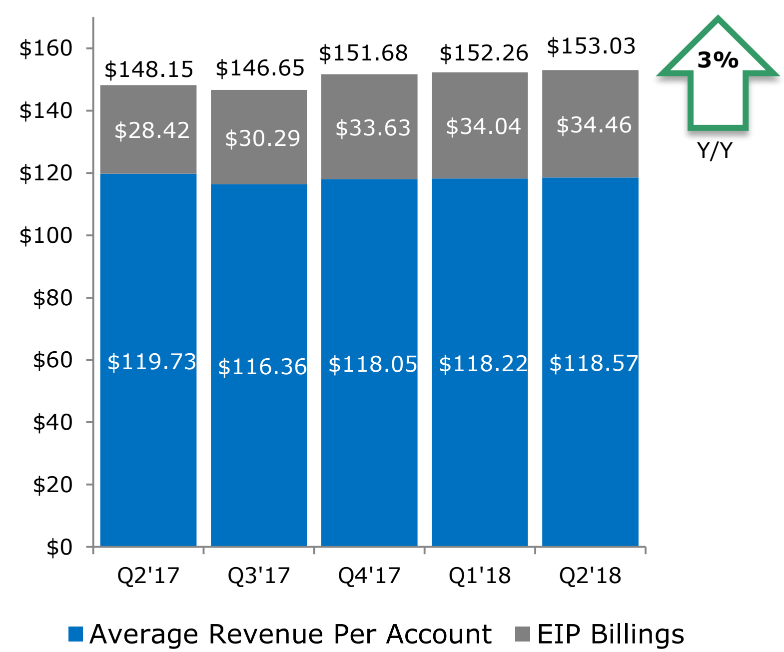


(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.

Postpaid revenue

U.S. Cellular





(1) ABPU and ABPA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.
(2) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.

Adjusted OIBDA

($ in millions)	Q2'18 [1]	Q2'17	% Change
Total operating revenues	$974	$963	1%
System operations expense	187	189	(1%)
Cost of equipment sold	240	260	(8%)
SG&A expenses	342	351	(2%)
Total cash expenses [2]	769	800	(4%)
Adjusted OIBDA [3]	$205	$163	26%

(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
(2) Total cash expenses represent total operating expenses as shown in the Consolidated Statement of Operations Highlights, less depreciation, amortization and accretion and gains/losses.
(3) Adjusted OIBDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

Adjusted EBITDA

($ in millions)	Q2’18 (1)	Q2’17	% Change
Adjusted OIBDA (2)	$205	$163	26%
Equity in earnings of unconsolidated entities	40	33	20%
Interest and dividend income	3	2	63%
Adjusted EBITDA (2)	$248	$198	25%

(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
(2) Adjusted OIBDA and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.

2018 guidance [1]

Strong performance drives increased guidance

($ in millions) As of August 3, 2018	2017 Actual	**2018 Current Estimates [3]**	2018 Previous Estimates [3]
Total operating revenues	$3,890	**$3,925-$4,025**	$3,850-$4,050
Adjusted OIBDA [2]	$675	**$700-$800**	$625-$775
Adjusted EBITDA [2]	$820	**$850-$950**	$765-$915
Capital expenditures	$469	**$500-$550**	Unchanged

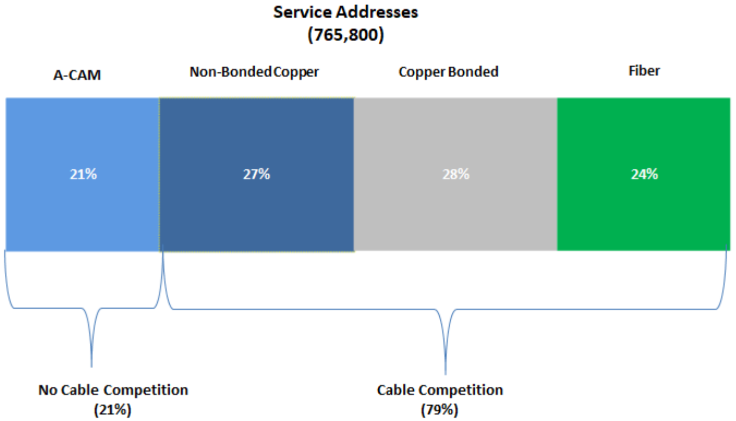
(1) There can be no assurance that final results will not differ materially from such estimated results.
(2) Adjusted OIBDA and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.
(3) 2018 estimates reflect the adoption of the new revenue recognition accounting standard, ASC 606, effective January 1, 2018.

Executing on 2018 strategic priorities

Wireline and Cable

- Intense focus on increasing broadband penetration
- Invest in Cloud TV platform

- Wireline
  - Execute fiber program both in and out of the current ILEC footprint
  - Rural Broadband Deployment
    - A-CAM
    - State Broadband Grants
  - Cost management



- Cable
  - Increase broadband penetration and ARPU
  - Continue to evaluate potential acquisitions

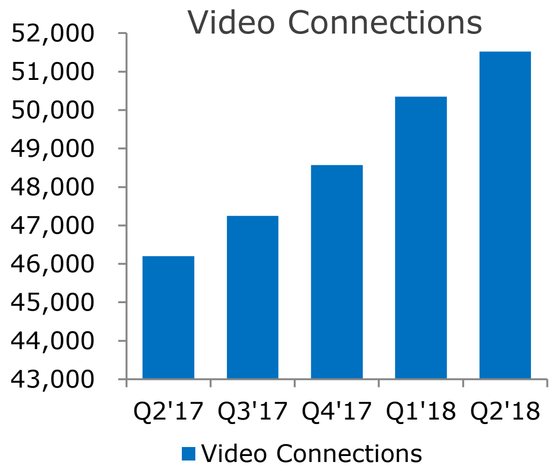
TDS Telecom operating performance

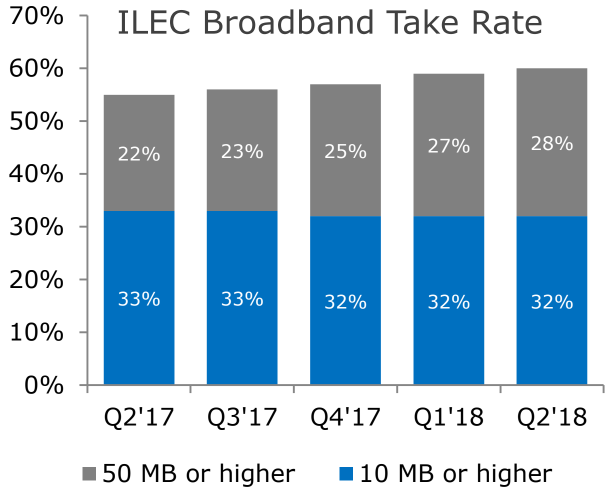
($ in millions)	Q2'18 (1)	Q2'17	% Change
Wireline	$ 174	$ 181	(4)%
Cable	57	51	12%
Total operating revenues (2)	230	231	- %
Cash expenses (3)	158	152	4%
Adjusted EBITDA (4)	$ 75	$ 82	(8)%
Capital expenditures	$ 46	$ 45	4%

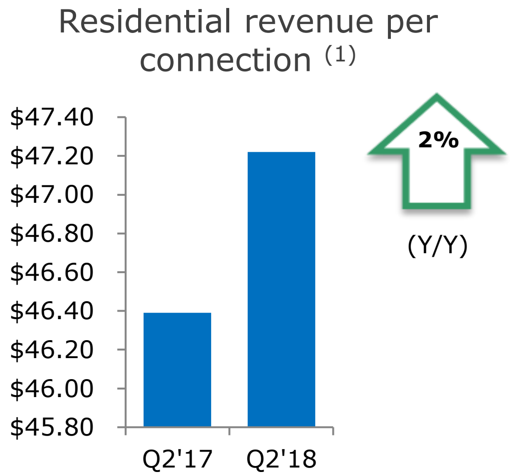
(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
(2) Includes intercompany eliminations
(3) Cash expenses represent cost of services, cost of equipment and products, and selling, general and administrative expenses, and are identified as Expenses excluding depreciation, amortization and accretion on the Consolidated Statement of Operations Highlights.
(4) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

Second quarter Wireline highlights

- Growth in video connections and broadband penetration driving residential revenue per connection
  - Demand for higher speeds is strong
- Growth from fiber investments and A-CAM support helps to offset legacy revenue declines







(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.

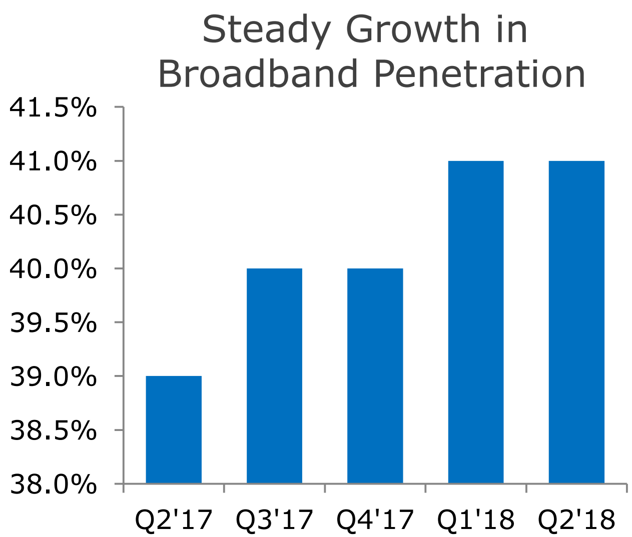
Wireline operating performance

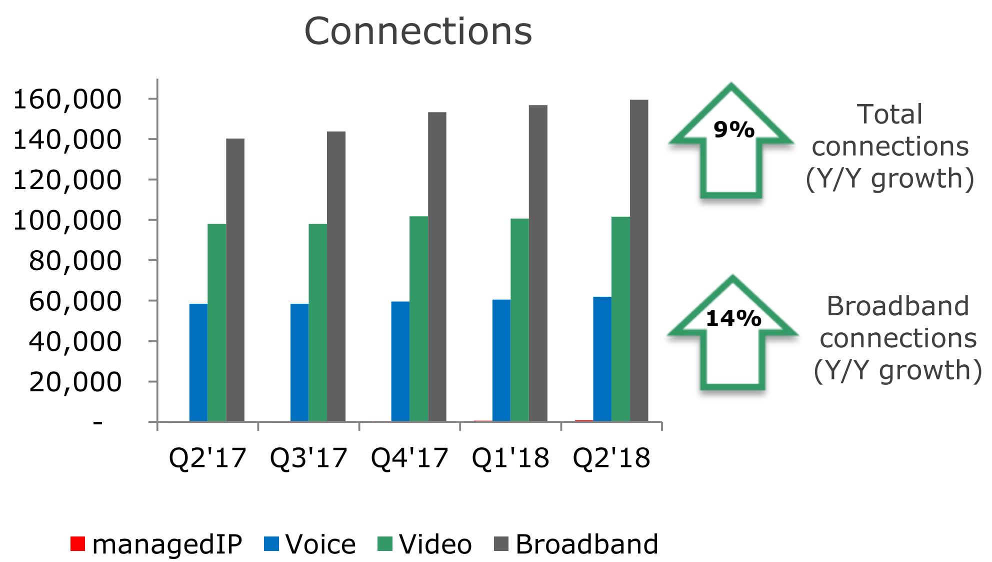
($ in millions)	Q2’18 (1)	Q2’17	% Change
Residential	$ 80	$ 81	(1)%
Commercial	46	50	(8)%
Wholesale	46	49	(5)%
Total revenues	174	181	(4)%
Cash expenses (2)	117	115	1 %
Adjusted EBITDA (3)	$ 59	$ 67	(12)%
Capital expenditures	$ 33	$ 33	2%

(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
(2) Cash expenses represent cost of services and selling, general and administrative expenses, and are identified as Expenses excluding depreciation, amortization and accretion on the Consolidated Statement of Operations Highlights.
(3) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

Second quarter Cable highlights

- Broadband connections increase 14% (including acquisitions)
  - Ninth consecutive quarter of double digit broadband growth
- Revenues increase 12%
- Adjusted EBITDA increases 10%





Cable operating performance

($ in millions)	Q2'18 (1)	Q2'17	% Change
Residential	$ 47	$ 41	12%
Commercial	10	9	7%
Total operating revenues	57	51	12%
Cash expenses (2)	41	37	12%
Adjusted EBITDA (3)	$ 16	$ 14	10%
Capital expenditures	$ 13	$ 12	9%

(1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
(2) Cash expenses represent cost of services and selling, general and administrative expenses, and are identified as Expenses excluding depreciation, amortization and accretion on the Consolidated Statement of Operations Highlights.
(3) Adjusted EBITDA is a non-GAAP financial measure that is defined in the non-GAAP reconciliation at the end of the presentation.

2018 TDS Telecom guidance (1)

Reaffirming previous estimates

Wireline and Cable

($ in millions) As of August 3, 2018	2017 Actual	2018 Estimates (2)
Total operating revenues	$919	$900-$950
Adjusted OIBDA (3)	$314	$290-$320
Adjusted EBITDA (3)	$323	$300-$330
Capital expenditures	$201	Approx. $270

(1) There can be no assurance that final results will not differ materially from such estimated results.
(2) 2018 estimates reflect the adoption of the new revenue recognition accounting standard, ASC 606, effective January 1, 2018.
(3) Adjusted OIBDA and Adjusted EBITDA are non-GAAP financial measures that are defined in the non-GAAP reconciliation at the end of the presentation.

Second quarter HMS highlights

- Year to date bookings for monthly recurring revenue up over same period last year, driven by more than a dozen new logos
- Completed implementation of several systems to streamline operations and improve the customer experience

Appendix

Adjusted OIBDA and Adjusted EBITDA Reconciliation (1)

($ in millions)	Three months ended June 30, 2018					Three months ended June 30, 2017				
	U.S. Cellular	**Wireline**	**Cable**	**Total TDS Telecom (6)**	**TDS (2)**	**U.S. Cellular**	**Wireline**	**Cable**	**Total TDS Telecom (6)(7)**	**TDS (2)**
Net income (loss) (GAAP)	$52	N/A	N/A	$16	$44	$12	N/A	N/A	$20	$12
Add back:										
Income tax expense (benefit)	18	N/A	N/A	5	21	---	N/A	N/A	13	10
Income (loss) before income taxes (GAAP)	**70**	**24**	**(2)**	**21**	**65**	**12**	**30**	**3**	**33**	**22**
Add back:										
Interest expense	29	---	---	---	43	28	---	---	---	43
Depreciation, amortization and accretion expense	159	36	18	53	220	155	37	11	48	211
EBITDA (3) (non-GAAP)	258	59	15	74	328	195	67	14	81	276
Add back:										
(Gain) loss on asset disposals, net	1	1	---	1	2	5	---	---	1	6
(Gain) loss on license sales and exchanges, net	(11)	---	---	---	(11)	(2)	---	---	---	(2)
Adjusted EBITDA (3) (non-GAAP)	248	59	16	75	319	198	67	14	82	280
Deduct:										
Equity in earnings of unconsolidated entities	40	---	---	---	40	33	---	---	---	33
Interest and dividend income	3	2	---	2	6	2	1	---	1	4
Other, net (7)	---	1	---	1	1	---	1	---	1	1
Adjusted OIBDA (3) (4) (non-GAAP)	$205	$57	$16	$73	$272	$163	$65	$14	$80	$242

Adjusted OIBDA and Adjusted EBITDA Reconciliation – 2018 Estimated and 2017 Full Year [1]

In providing 2018 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.

	2018 Estimated Results			Actual Results Year ended December 31, 2017		
(Dollars in millions)	**U.S. Cellular**	**TDS Telecom (6)**	**TDS (2)**	**U.S. Cellular**	**TDS Telecom (6)(7)**	**TDS (2)**
Net income (loss) (GAAP)	N/A	**N/A**	**N/A**	**$15**	**$138**	**$157**
Add back:						
Income tax expense (benefit)	N/A	N/A	**N/A**	(287)	(13)	(279)
Income (loss) before income taxes (GAAP)	**$110-$210**	**$80-$110**	**$90-$220**	**$(272)**	**$125**	**$(122)**
Add back:						
Interest expense	110	---	170	113	---	170
Depreciation, amortization and accretion	640	220	895	615	195	844
EBITDA (non-GAAP)	$860-$960	$300-$330	$1,155-$1,285	$456	$319	$892
Add back:						
Loss on impairment of goodwill	---	---	---	370	---	262
(Gain) loss on asset disposals, net	10	---	10	17	3	21
(Gain) loss on sale of business and other exit costs, net	---	---	---	(1)	---	(1)
(Gain) loss on license sales and exchanges, net	(20)	---	(20)	(22)	---	(22)
Adjusted EBITDA (3) (non-GAAP)	$850-$950	$300-$330	$1,145-$1,275	$820	$323	$1,152
Deduct:						
Equity in earnings of unconsolidated entities	135	---	135	137	---	137
Interest and dividend income (6)	15	5	20	8	5	15
Other, net (7)	---	5	5	---	3	4
Adjusted OIBDA (3)(4)(non-GAAP)	$700-$800	$290-$320	$985-$1,115	$675	$314	$996

Cable and Wireline Reconciliation to Total TDS Telecom (6) Adjusted OIBDA and Adjusted EBITDA Reconciliation

For Year-Ended December 31, 2017

($ in millions)	**Wireline**	**Cable**	**Cable/Wireline Adjustments**	**Cable and Wireline**	**HMS**	**Eliminations**	**TDS Telecom (As reported) (7)**
Total operating revenues	$714	$206	$(1)	$919	$225	$(4)	$1,140
Income (loss) before income taxes (GAAP)	117	8	---	125	(60)	---	65
Add back:							
Interest expense	0	0	---	0	4	---	4
Depreciation, amortization and accretion expense	151	44	---	195	28	---	222
EBITDA (Non-GAAP) (3)	267	52	---	319	(29)	---	291
Add back:							
Loss on impairment of goodwill	---	---	---	---	35	---	35
(Gain) loss on sale of business and other exit costs, net	---	---	---	---	---	---	0
(Gain) loss on license sales and exchanges, net	---	---	---	---	---	---	0
(Gain) loss on asset disposals, net	1	2	---	3	---	---	4
Adjusted EBITDA (Non-GAAP) (3)	269	54	---	323	6	---	329
Deduct:							
Equity in earnings of unconsolidated entities	0	0	---	0	0	---	0
Interest and dividend income	5	0	---	5	0	---	5
Other, net (7)	3	0	---	3	0	---	3
Adjusted OIBDA (Non-GAAP) (3)(4)	$260	$54	---	$314	$6	---	$320

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

(Dollars and connection counts in millions)	Three months ended June 30, 2018 (1)	Three months ended June 30, 2017
Calculation of Postpaid ARPU		
Postpaid service revenues	$600	$597
Average number of postpaid connections	4.47	4.47
Number of months in period	3	3
Postpaid ARPU (GAAP metric)	**$44.74**	**$44.60**
Calculation of Postpaid ABPU (5)		
Postpaid service revenues	$600	$597
Equipment installment plan billings	174	142
Total billings to postpaid connections	$774	$739
Average number of postpaid connections	4.47	4.47
Number of months in period	3	3
Postpaid ABPU (non-GAAP metric)	$57.75	$55.19
Calculation of Postpaid ARPA		
Postpaid service revenues	$600	$597
Average number of postpaid accounts	1.69	1.66
Number of months in period	3	3
Postpaid ARPA (GAAP metric)	**$118.57**	**$119.73**
Calculation of Postpaid ABPA (5)		
Postpaid service revenues	$600	$597
Equipment installment plan billings	174	142
Total billings to postpaid accounts	$774	$739
Average number of postpaid accounts	1.69	1.66
Number of months in period	3	3
Postpaid ABPA (non-GAAP metric)	$153.03	$148.15

1) 2018 amounts reflect the adoption of ASC 606 while 2017 amounts remain as previously reported.
2) The TDS column includes U.S. Cellular, TDS Telecom and also the impacts of consolidating eliminations, corporate operations and non-reportable segments (including HMS as indicated in Note (5) below).
3) EBITDA, Adjusted EBITDA and Adjusted OIBDA are defined as net income adjusted for the items set forth in the reconciliation above. EBITDA, Adjusted EBITDA and Adjusted OIBDA 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 Adjusted OIBDA as measurements of profitability, and therefore reconciliations to Net income are deemed appropriate. Management believes Adjusted EBITDA and Adjusted OIBDA 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 Adjusted OIBDA 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 EBITDA, Adjusted EBITDA and Adjusted OIBDA flow to the corresponding GAAP measure, Net income or Income (loss) before income taxes.
4) Additional information and reconciliations related to Non-GAAP financial measures for June 30, 2018, can be found on TDS' website at investors.tdsinc.com.
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.
6) TDS has re-evaluated internal reporting roles with regard to its HMS business unit and, as a result, has changed its reportable segments. Effective January 1, 2018, HMS is no longer reported under TDS Telecom. Prior periods have been recast to conform to the revised presentation.
7) ASU 2017-07, regarding net periodic pension cost and net periodic postretirement benefit cost was adopted as of January 1, 2018, and applied retrospectively. All prior periods have been recast to conform to this standard.