

Business Segment Information

TDS Telecom

Three Months Ended or as of March 31, 2018	U.S. Cellular	Wireline	Cable	TDS Telecom Total ¹	Corporate, Eliminations and Other	Total
(Dollars in thousands)						
Operating revenues						
Service	\$ 723,993	\$ 174,999	\$ 55,393	\$ 230,110	\$ 23,870	\$ 977,973
Equipment and product sales	217,715	414	14	428	29,110	247,253
Total operating revenues	941,708	175,413	55,407	230,538	52,980	1,225,226
Cost of services (excluding Depreciation, amortization and accretion reported below)	178,570	64,729	25,755	90,253	18,799	287,622
Cost of equipment and products	219,116	422	10	432	26,379	245,927
Selling, general and administrative	325,885	47,000	13,299	60,249	9,767	395,901
Depreciation, amortization and accretion	158,680	36,888	17,242	54,130	8,146	220,956
(Gain) loss on asset disposals, net	1,362	95	250	344	2	1,708
(Gain) loss on license sales and exchanges, net	(6,737)	–	–	–	–	(6,737)
Operating income (loss)	64,832	26,278	(1,148)	25,130	(10,113)	79,849
Equity in earnings of unconsolidated entities	37,729	–	–	–	225	37,954
Interest and dividend income	3,635	1,042	179	1,222	541	5,398
Interest expense	(29,051)	388	(13)	374	(14,419)	(43,096)
Other, net	115	588	(50)	539	24	678
Income (loss) before income taxes	77,260	28,297	(1,032)	27,265	(23,742)	80,783
Income tax expense (benefit)	22,269	–	–	6,493	(4,757)	24,005
Net income (loss)	54,991	–	–	20,772	(18,985)	56,778
Add back:						
Depreciation, amortization and accretion	158,680	36,888	17,242	54,130	8,146	220,956
(Gain) loss on asset disposals, net	1,362	95	250	344	2	1,708
(Gain) loss on license sales and exchanges, net	(6,737)	–	–	–	–	(6,737)
Interest expense	29,051	(388)	13	(374)	14,419	43,096
Income tax expense (benefit)	22,269	–	–	6,493	(4,757)	24,005
Adjusted EBITDA	\$ 259,616	\$ 64,892	\$ 16,473	\$ 81,365	\$ (1,175)	\$ 339,806
Investments in unconsolidated entities	\$ 450,081	\$ 3,798	\$ –	\$ 3,798	\$ 33,915	\$ 487,794
Total assets	\$ 7,047,508	\$ 1,264,094	\$ 643,535	\$ 1,901,028	\$ 532,746	\$ 9,481,282
Capital expenditures	\$ 69,740	\$ 28,955	\$ 11,231	\$ 40,186	\$ 4,957	\$ 114,883

Numbers may not foot due to rounding

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