

TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures
April 27, 2005

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TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures

For the Three Months Ended March 31, 2005 and March 31, 2004

Quarter Ended at March 31, 2005	U.S. Cellular	TDS Telecom		Total
		ILEC	CLEC	
<i>(Dollars in thousands)</i>				
Operating cash flow:				
Operating income (loss) as reported	\$ 36,237	\$ 40,645	\$ (1,442)	\$ 75,440
Add:				
Depreciation, amortization and accretion	127,250	34,264	7,303	168,817
Operating cash flow	<u>\$ 163,487</u>	<u>\$ 74,909</u>	<u>\$ 5,861</u>	<u>\$ 244,257</u>

Quarter Ended at March 31, 2004	U.S. Cellular	TDS Telecom		Total
		ILEC	CLEC	
<i>(Dollars in thousands)</i>				
Operating cash flow:				
Operating income (loss) as reported	\$ 28,282	\$ 48,644	\$ (3,759)	\$ 73,167
Add:				
Depreciation, amortization and accretion	113,894	32,547	9,011	155,452
(Gain) on assets held for sale	(143)	-	-	(143)
Operating cash flow	<u>\$ 142,033</u>	<u>\$ 81,191</u>	<u>\$ 5,252</u>	<u>\$ 228,476</u>

NB: The Operating Cash Flow amounts in the tables presented above are not determined in accordance with generally accepted accounting principles (GAAP) in the United States of America. Management uses Operating Cash Flow to evaluate the operating performance of its business, and it is a measure of performance used by some investors, security analysts and others to make informed investment decisions. Operating Cash Flow is used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Operating Cash Flow are used to estimate current or prospective enterprise value. Operating Cash Flow does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Operating Cash Flow as presented herein may not be comparable to similarly titled measures reported by other companies.

UNITED STATES CELLULAR CORPORATION

Reconciliation of Service Revenues

(Dollars in thousands)

Quarter Ended March 31, 2004:

Service revenue as reported	\$ 619,382
Less service revenue attributed to markets sold in 2004	<u>11,546</u>
Pro-forma service revenue for the three months ended March 31, 2004	<u>\$ 607,836</u>

Service revenue as reported for the three months ended March 31, 2005 \$ 668,792

Percentage year-over-year service revenue growth for the three months ended March 31, 2005:

Based on amounts as reported	8.0%
Based on pro forma service revenue for the three months ended March 31, 2004	10.0%

The pro-forma numbers above are non-GAAP financial measures as defined by SEC rules. Management believes they are useful measures to evaluate the company's performance excluding divested markets from both years' service revenues, but they should not be considered as alternatives to GAAP.

UNITED STATES CELLULAR CORPORATION

Reconciliation of Marketing Cost per Gross Customer Unit Addition

Quarter Ended	3/31/05	12/31/04	9/30/04	6/30/04	3/31/04
<i>(Dollars in thousands, except per customer amounts)</i>					
Components of cost					
Selling, general and administrative expenses related to the acquisition of new customers (1)	\$ 120,386	\$ 138,722	\$ 132,229	\$ 115,184	\$ 110,458
Cost of equipment sold to new customers (2)	95,242	97,663	86,762	78,516	83,458
Less equipment sales revenues from new customers (3)	(47,793)	(56,162)	(60,484)	(50,724)	(46,463)
Total cost	\$ 167,835	\$ 180,223	\$ 158,507	\$ 142,976	\$ 147,453
Gross customer activations (000s) (4)	426	408	387	365	397
Marketing cost per gross customer activation (5)	\$ 394	\$ 442	\$ 410	\$ 392	\$ 371

(1) Selling, general and administrative expenses related to the acquisition of new customers is reconciled to total selling, general and administrative expenses as follows:

	3/31/05	12/31/04	9/30/04	6/30/04	3/31/04
<i>(Dollars in thousands)</i>					
Selling, general and administrative expenses as reported	277,989	296,864	298,011	269,619	258,206
Less expenses related to serving and retaining customers	(157,603)	(158,142)	(165,782)	(154,435)	(147,748)
Selling, general and administrative expenses related to the acquisition of new customers	120,386	138,722	132,229	115,184	110,458

(2) Cost of equipment sold, excluding amounts related to the retention of existing customers is reconciled to total cost of equipment sold as follows:

	3/31/05	12/31/04	9/30/04	6/30/04	3/31/04
<i>(Dollars in thousands)</i>					
Cost of equipment sold as reported	126,893	130,223	126,659	110,183	119,888
Less cost of equipment sold related to the retention of existing customers	(31,651)	(32,560)	(39,897)	(31,667)	(36,430)
Cost of equipment sold to new customers	95,242	97,663	86,762	78,516	83,458

(3) Equipment sales revenues, excluding amounts related to the retention of existing customers is reconciled to total equipment sales revenues as follows:

	3/31/05	12/31/04	9/30/04	6/30/04	3/31/04
<i>(Dollars in thousands)</i>					
Equipment sales revenues as reported	39,643	46,308	56,249	49,567	38,268
Less equipment sales revenues related to the retention of existing customers, net of agent rebates	(5,437)	(5,247)	(9,093)	(6,879)	(6,048)
Add agent rebate reductions of equipment sales revenues related to the retention of existing customers	13,587	15,101	13,328	8,036	14,243
Equipment sales revenues from new customers	47,793	56,162	60,484	50,724	46,463

(4) Gross customer activations represent all customers added to U.S. Cellular's customer base, during the respective periods presented, through its marketing distribution channels.

(5) The definition of marketing cost per gross customer unit addition that U.S. Cellular uses as a measure of the cost to acquire additional customers through its marketing distribution channels may not be comparable to similarly titled measures that are reported by other companies.

TELEPHONE AND DATA SYSTEMS, INC.
Reconciliation of Additional Disclosures
Financial Guidance for the Year Ending December 31, 2005

As of April 27, 2005, the full-year guidance for TDS and U.S. Cellular remains unchanged from the guidance revised on March 18, 2005, which is as follows:

U.S. Cellular	Guidance as of 3/18/05 ⁽¹⁾	Guidance as of 4/27/05 ⁽¹⁾ - <i>unchanged</i>
Net Retail Customer Additions	475,000 - 525,000	475,000 - 525,000
Service Revenues	+/- \$2.9 billion	+/- \$2.9 billion
Operating Cash Flow ⁽²⁾:	\$710 - \$750 million	\$710 - \$750 million
Operating Income	\$180 - \$220 million	\$180 - \$220 million
Depreciation, Amortization & Accretion	\$530 million	\$530 million
Operating Cash Flow	\$710 - \$750 million	\$710 - \$750 million
Capital Expenditures	\$570 - \$610 million	\$570 - \$610 million

TDS Telecom: ILEC	Guidance as of 3/18/2005	Guidance as of 4/27/05 - <i>unchanged</i>
Operating Revenues	\$655 - \$665 million	\$655 - \$665 million
Operating Cash Flow ⁽²⁾:	\$305 - \$315 million	\$305 - \$315 million
Operating Income	\$170 - \$180 million	\$170 - \$180 million
Depreciation and amortization	\$135 million	\$135 million
Operating Cash Flow	\$305 - \$315 million	\$305 - \$315 million
Capital Expenditures	\$120 - \$130 million	\$120 - \$130 million

TDS Telecom: CLEC	Guidance as of 3/18/2005	Guidance as of 4/27/05 - <i>unchanged</i>
Operating Revenues	\$240 - \$250 million	\$240 - \$250 million
Operating Cash Flow ⁽²⁾:	\$15 - \$20 million	\$15 - \$20 million
Operating Income (Loss)	\$(15) - \$(10) million	\$(15) - \$(10) million
Depreciation and amortization	\$30 million	\$30 million
Operating Cash Flow	\$15 - \$20 million	\$15 - \$20 million
Capital Expenditures	\$30 - 35 million	\$30 - \$35 million

(1) All 2005 guidance for U.S. Cellular as of March 18, 2005 includes St. Louis, which U.S. Cellular anticipates launching in the third quarter of 2005.

(2) Operating Cash Flow as used above represents operating income before depreciation, amortization and accretion, and excludes loss on impairment of intangible assets, and (gain) loss on assets held for sale. Operating Cash Flow is not presented as an alternative measure of operating results or cash flows from operating activities as determined in accordance with accounting principles generally accepted in the United States of America. Management uses Operating Cash Flow to evaluate the operating performance of its business, and it is a measure of performance used by some investors, security analysts and others to make informed investment decisions. Operating Cash Flow is used as an analytical indicator of income generated to service debt and fund capital expenditures. In addition, multiples of current or projected Operating Cash Flow are used to estimate current or prospective enterprise value. Operating Cash Flow does not give effect to cash used for debt service requirements, and thus does not reflect funds available for investment or other discretionary uses. Operating Cash Flow as presented herein may not be comparable to similarly titled measures reported by other companies.

Any guidance that is not consistent with the above should not be relied upon. The foregoing guidance represents the views of management as of the dates indicated and should not be assumed to be accurate as of any date other than such date. TDS undertakes no legal duty to update such information whether as a result of new information, future events or otherwise.

**The following are the Safe Harbor Cautionary Statements for
Telephone and Data Systems, Inc. (TDS) and U.S. Cellular Corporation.
U.S. Cellular's cautionary statement follows that of TDS.**

**TELEPHONE AND DATA SYSTEMS, INC.
PRIVATE SECURITIES LITIGATION REFORM ACT
OF 1995 SAFE HARBOR CAUTIONARY STATEMENT**

The Financial Guidance presented in this web posting constitutes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include the following:

- *Increases in the level of competition in the markets in which TDS operates, or wireless for wireline substitution, could adversely affect TDS's revenues or increase its costs to compete.*
- *Consolidation in the wireless industry may create stronger competitors both operationally and financially which could adversely affect TDS's revenues and increase its costs to compete.*
- *Consolidation of long distance carriers could result in TDS having to pay more for long distance service which could increase TDS's cost of doing business.*
- *Advances or changes in telecommunications technology, such as Voice Over Internet Protocol, could render certain technologies used by TDS obsolete, could reduce TDS's revenues or could increase TDS's cost of doing business.*
- *Changes in the telecommunications regulatory environment, or a failure to timely or fully comply with any regulatory requirements, such as wireless number portability, local number portability and E-911 services, could adversely affect TDS's financial condition, results of operations or ability to do business.*
- *Changes in the telecommunications regulatory environment, including the effects of potential changes in the rules governing universal service funding and potential changes in the amounts or methods of intercarrier compensation, could have an adverse effect on TDS's financial condition, results of operations and cash flows.*
- *Changes in U.S. Cellular's enterprise value, changes in the supply or demand of the market for wireless licenses or telephone companies, adverse developments in the TDS businesses or the industries in which TDS is involved and/or other factors could require TDS to recognize impairments in the carrying value of TDS's license costs, goodwill and/or physical assets.*
- *Changes in accounting standards or TDS's accounting policies, estimates and/or in the assumptions underlying the accounting estimates, including those described under Application of Critical Accounting Policies and Estimates, could have an adverse effect on TDS's financial condition and results of operations.*
- *Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending and future litigation could have an adverse effect on TDS's financial condition, results of operations or ability to do business.*
- *Costs, integration problems or other factors associated with acquisitions/divestitures of properties and/or licenses could have an adverse effect on TDS's financial condition or results of operations.*
- *Changes in prices, the number of customers, average revenue per unit, penetration rates, churn rates, selling expenses, net customer retention costs associated with wireless number portability and local number portability, roaming rates, access minutes of use, the mix of products and services offered or other business factors could have an adverse effect on TDS's business operations.*

- *Changes in roaming partners' rates for voice services and the lack of standards and roaming agreements for wireless data products could place U.S. Cellular's service offerings at a disadvantage to those offered by other wireless carriers with more nationwide service territories, and could have an adverse effect on TDS's operations.*
- *Changes in competitive factors with national and global wireless carriers could result in product and cost disadvantages and could have an adverse effect on TDS's operations.*
- *Changes in guidance or interpretations of accounting requirements, changes in industry practice or changes in management assumptions could require amendments to or restatements of disclosures or financial information included in this web posting.*
- *Uncertainty of access to capital for telecommunications companies, deterioration in the capital markets, other changes in market conditions, changes in TDS's credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to TDS, which could require TDS to reduce its construction, development and acquisition programs.*
- *Changes in income tax rates, tax laws, regulations or rulings, or federal and state tax assessments could have an adverse effect on TDS's financial condition and results of operations.*
- *War, conflicts, hostilities and/or terrorist attacks could have an adverse effect on TDS's businesses.*
- *Changes in general economic and business conditions, both nationally and in the markets in which TDS operates, including difficulties by telecommunications companies, could have an adverse effect on TDS's businesses.*
- *Changes in facts or circumstances, including new or additional information that affects the calculation of accrued liabilities for contingent obligations under guarantees, indemnities or otherwise, could require TDS to record charges in excess of amounts accrued on the financial statements, if any, which could have an adverse effect on TDS's financial condition and results of operations.*
- *A material weakness in the effectiveness of internal control over financial reporting and/or in disclosure controls and procedures could result in inaccurate financial statements or other disclosures or permit fraud, which could have an adverse effect on TDS's business, results of operations and financial condition.*
- *The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from handsets, wireless data devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have an adverse effect on TDS's wireless business operations, TDS's financial condition and results of operations.*
- *Any of the foregoing events or other events could cause revenues, customer additions, operating income, capital expenditures and or any other financial or statistical information to vary from TDS's forward estimates included in this web posting by a material amount.*

TDS undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. Readers should evaluate any statements in light of these important factors.

U.S. CELLULAR CORPORATION
PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995
SAFE HARBOR CAUTIONARY STATEMENT

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- *Consolidation of long distance carriers could result in U.S. Cellular having to pay more for long distance service which could increase U.S. Cellular’s cost of doing business.*
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- *Changes in the telecommunications regulatory environment, or a failure to timely or fully comply with any regulatory requirements, such as wireless number portability and E-911 services, could adversely affect U.S. Cellular’s financial condition, results of operations or ability to do business.*
- *Changes in U.S. Cellular’s enterprise value, changes in the supply or demand of the market for wireless licenses, adverse developments in U.S. Cellular’s business or the wireless industry and/or other factors could require U.S. Cellular to recognize impairments in the carrying value of U.S. Cellular’s licenses, goodwill and/or physical assets.*
- *Changes in accounting standards or U.S. Cellular’s accounting policies, estimates and/or the assumptions underlying the accounting estimates, including those described under Application of Critical Accounting Policies and Estimates, could have an adverse effect on its financial condition and results of operations.*
- *Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending or future litigation could have an adverse effect on U.S. Cellular’s financial condition, results of operations or ability to do business.*
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- The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from handsets, wireless data devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have a material adverse effect on U.S. Cellular's business operations, financial condition and results of operations.*
- Any of the foregoing events or other events could cause revenues, customer additions, operating income, capital expenditures and or any other financial or statistical information to vary from management's forward estimates included in this web posting by a material amount.*

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TELEPHONE AND DATA SYSTEMS, INC.

Additional Disclosures

For the Three Months Ended March 31, 2005

CLARIFICATION: During the conference call held and simultaneously webcast on April 27, 2005, a reference was made to the effect that during the first quarter 2005, TDS prepaid an additional portion of its medium-term debt. To clarify: in February 2005, TDS prepaid an additional **\$17.2 million** of TDS medium-term debt.

U.S. Cellular

Customers

Pre-pay (as of 3/31/05)	4.3%
Post-pay (as of 3/31/05)	95.7%

Pre-pay service plans: plans in which customers pay for service in advance.

Post-pay service plans: plans in which customers are billed in arrears for service, such as customers who are on contract.