

TELEPHONE & DATA SYSTEMS INC /DE/
Form DEFA14A
November 29, 2011

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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Telephone and Data Systems, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, If other than the Registrant)

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SUPPLEMENT DATED NOVEMBER 29, 2011 TO PROXY STATEMENT DATED AUGUST 31, 2011

**NOTICE OF ADJOURNED SPECIAL MEETING OF SHAREHOLDERS TO BE RECONVENED
ON JANUARY 13, 2012**

TELEPHONE AND DATA SYSTEMS, INC.

30 North LaSalle Street, 40th Floor
Chicago, Illinois 60602
312-630-1900

November 29, 2011

Dear Fellow Shareholders:

This Supplement describes certain changes to proposals included in the Notice of Special Meeting and Proxy Statement dated August 31, 2011, which we refer to as the "Proxy Statement," of Telephone and Data Systems, Inc., which we refer to as "TDS." This Supplement also provides notice of the date of the adjourned Special Meeting at which the revised proposals will be considered, which we refer to as the "Adjourned Special Meeting," and discloses a change to the record date of shareholders entitled to vote on such proposals at the Adjourned Special Meeting. Capitalized terms used but not otherwise defined herein are used as defined in the Proxy Statement.

The TDS Board believed that the original proposal of a one-to-one reclassification of the Special Common Shares into Common Shares as set forth in the Proxy Statement was appropriate under the circumstances and consistent with precedent transactions. In accordance with good corporate governance principles, the TDS Board conditioned approval of the Share Consolidation upon ratification and approval by a majority of the outstanding Common Shares and Special Common Shares (excluding shares held by the TDS Voting Trust and certain other persons affiliated with TDS), each voting separately as a class. At the Special Meeting of shareholders held on October 6, 2011, TDS did not have sufficient votes from holders of Common Shares to approve the Share Consolidation.

As a result and after careful consideration and consultation with its advisors, the TDS Board, including all of the independent directors, is now proposing a new reclassification ratio to accomplish the goal of simplifying TDS' capital structure. The TDS Board believes that its new Share Consolidation proposal addresses the concerns raised by certain holders of its Common Shares while at the same time being fair to the holders of the Special Common Shares. The TDS Board believes that the Share Consolidation is highly valuable to TDS' future and that the proposed reclassification of the Special Common Shares as Common Shares and the related proposals described below and in the Proxy Statement are in the best interests of TDS and the holders of each class of its outstanding shares of capital stock. The TDS Board would like the holders of each class of TDS' outstanding shares to recognize, because each separate class has to approve the Share Consolidation, that the Share Consolidation has to be as fair as possible to each class of shares and that no one class can benefit unduly to the detriment of another class.

Pursuant to the Share Consolidation, as revised, each Special Common Share would be reclassified as one Common Share, each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares. The primary purpose of this change is to recognize the fact that the Common Shares have generally traded at a premium to the Special Common Shares. Based on a review of the historical average premium, the TDS Board determined that the holders of Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation. Also, because the Series A Common Shares are convertible into Common Shares on a one-for-one basis, the TDS Board determined that the holders of Series A Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation.

As more fully described in this Supplement, the TDS Board believes the Share Consolidation Amendment as revised offers several potential advantages as compared to other alternatives considered

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by the TDS Board. In particular, the revised Share Consolidation Amendment addresses the concerns raised by certain holders of Common Shares by recognizing the historical average trading premium of the Common Shares, results in less dilution of the voting power of the Common Shares in matters other than the election of directors, and increases the total dividends payable to TDS shareholders without reducing the dividends payable to holders of Special Common Shares.

As disclosed in the Proxy Statement, TDS had scheduled a Special Meeting of shareholders on October 6, 2011 to vote on the proposals described in the Proxy Statement. This meeting was initially adjourned until October 20, 2011, was adjourned again until November 15, 2011, and then was adjourned until further notice. This Supplement provides notice that the Adjourned Special Meeting to vote on the revised proposals will be held on Friday, January 13, 2012, at 11:00 a.m. Chicago time, at the Standard Club, 320 S. Plymouth Court, Chicago, Illinois.

The Proxy Statement was previously sent to shareholders of record at the close of business on August 18, 2011. Due to the delays resulting from the adjournments of the Special Meeting as well as the changes to the proposals, the TDS Board has determined to change the record date of shareholders that will be entitled to vote at the Adjourned Special Meeting on January 13, 2012. Accordingly, the record date was changed to the close of business on December 9, 2011. Because of the new record date, we are re-circulating the Proxy Statement as well as new proxy cards together with this Supplement. These materials will be distributed to shareholders shortly after the new record date of December 9, 2011 on or about December 12, 2011.

In evaluating the revised Share Consolidation Amendment, the TDS Board received and considered a revised opinion of Citigroup Global Markets Inc., which we refer to as "Citi," to the effect that, as of the date of the opinion, and based upon and subject to the considerations and limitations set forth therein, Citi's work described in this Supplement and other factors Citi deemed relevant, the reclassification ratio of one new Common Share for each outstanding Special Common Share and 1.087 new Common Shares for each outstanding Common Share was fair, from a financial point of view, to both the holders of Common Shares and the holders of Special Common Shares (solely in their capacity as holders of Common Shares or holders of Special Common Shares, as the case may be, and disregarding any interest any holder of Common Shares or Special Common Shares, as the case may be, may have in any other equity securities of TDS), as described in the enclosed Supplement and in the opinion attached to the enclosed Supplement.

In addition, the independent directors of TDS were advised by Credit Suisse Securities (USA) LLC, which we refer to as "Credit Suisse," and independent legal counsel in connection with the foregoing changes.

A copy of the TDS Charter, marked to show the changes that would be made by the Charter Amendments, including the revised Share Consolidation Amendment, is attached hereto as Exhibit A. Exhibit A also highlights revisions to the Charter Amendments made since the date of the Proxy Statement. The primary change from the version that was attached to the Proxy Statement is that Paragraph A.1 of Article IV has been changed to provide that each Special Common Share would be reclassified as one Common Share, each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares.

Certain clarifying changes are also being proposed to the Vote Amendment, and certain changes are also being proposed to the Incentive Plan Adoption proposal and the Adjournment Proposal, as discussed herein.

The TDS Board, including the independent directors, has unanimously approved the proposals as revised, believes that the adoption of such proposals is in the best interests of TDS and holders of each class of its outstanding shares of capital stock and unanimously recommends that you vote "FOR" such proposals.

As a result of the changes to the proposals and the record date, all proxies and broker votes previously submitted will be deemed null and void. YOU MUST SIGN AND RETURN A NEW PROXY CARD OR ATTEND THE ADJOURNED MEETING FOR YOUR VOTE TO BE COUNTED AT THE ADJOURNED SPECIAL MEETING ON JANUARY 13, 2012.

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YOUR PROXY IS VERY IMPORTANT. The trustees of the Voting Trust that holds a majority of the voting power of all shares of capital stock of TDS, which we refer to as the "TDS Voting Trust", have advised TDS that they intend to vote FOR the revised proposals. However, because the TDS Voting Trust and its trustees and beneficiaries have an interest in the implementation of the proposals and related transactions as discussed in this Supplement and the enclosed Proxy Statement, the TDS Board has also determined to voluntarily submit the revised Share Consolidation Amendment and the Vote Amendment for ratification and approval by a majority of the outstanding Common Shares and Special Common Shares (excluding shares held by the TDS Voting Trust and certain other persons affiliated with TDS), each voting separately as a class. **Accordingly, please sign and mail your proxy in the enclosed self-addressed envelope or vote by proxy on the Internet or by phone in accordance with the instructions set forth on the proxy card(s).**

YOU SHOULD NOT RETURN CERTIFICATES WITH THE ENCLOSED PROXY CARD AND YOU SHOULD RETAIN ALL CERTIFICATES WHICH REPRESENT TDS SHARES. IF THE PROPOSALS ARE APPROVED AND BECOME EFFECTIVE, SPECIAL COMMON SHARE CERTIFICATES WILL THEREAFTER REPRESENT AN EQUIVALENT NUMBER OF COMMON SHARES. COMMON SHARE CERTIFICATES AND SERIES A COMMON SHARE CERTIFICATES WILL CONTINUE TO REPRESENT THE NUMBER OF COMMON SHARES AND SERIES A COMMON SHARES IDENTIFIED ON THE CERTIFICATES AND, IF THE PROPOSALS ARE APPROVED AND BECOME EFFECTIVE, HOLDERS OF COMMON SHARES WILL ALSO RECEIVE 0.087 ADDITIONAL COMMON SHARES WITH RESPECT TO EACH COMMON SHARE AND CASH IN LIEU OF FRACTIONAL SHARES, AS DESCRIBED BELOW, AND HOLDERS OF SERIES A COMMON SHARES WILL ALSO RECEIVE 0.087 ADDITIONAL SERIES A COMMON SHARES WITH RESPECT TO EACH SERIES A COMMON SHARE AND CASH IN LIEU OF FRACTIONAL SHARES AS A RESULT OF THE SHARE CONSOLIDATION, AS DESCRIBED BELOW.

If you have any questions, please call TDS' information agent, MacKenzie Partners, Inc., at 1-800-322-2885. We look forward with pleasure to visiting with you at the Adjourned Special Meeting.

Very truly yours,

Walter C.D. Carlson
Chairman of the Board

LeRoy T. Carlson, Jr.
President and Chief Executive Officer

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**TELEPHONE AND DATA SYSTEMS, INC.
SUPPLEMENT DATED NOVEMBER 29, 2011
TO
PROXY STATEMENT DATED AUGUST 31, 2011**

At the Adjourned Special Meeting, shareholders will be asked to vote on the following proposals:

1. To consider and approve an amendment, which we refer to as the "Share Consolidation Amendment," to the Restated Certificate of Incorporation of TDS, which we refer to as the "TDS Charter," to reclassify each Special Common Share as one Common Share, reclassify (and subdivide) each Common Share as 1.087 Common Shares and reclassify (and subdivide) each Series A Common Share as 1.087 Series A Common Shares, which we refer to as the "Share Consolidation," and to also add 165,000,000 authorized Common Shares to the 100,000,000 already authorized Common Shares, for a consolidated total of 265,000,000 authorized Common Shares, as more fully described in the Proxy Statement and as revised by this Supplement, by the statutory votes required pursuant to Section 242(b) of the Delaware General Corporation Law as described in the Proxy Statement. We refer to Proposal 1 as the "Share Consolidation Amendment Statutory Vote."
2. To ratify and approve the Share Consolidation Amendment, and the TDS Board's decision to approve such amendment, based on a non-waivable condition voluntarily established by the TDS Board, by (i) approval by a majority of the outstanding Common Shares (excluding Common Shares held by Affiliated Persons), voting separately as a class, and (ii) approval by a majority of the outstanding Special Common Shares (excluding Special Common Shares held by Affiliated Persons), voting separately as a class. We refer to Proposal 2 as the "Share Consolidation Amendment Ratification Vote."
3. To consider and approve an amendment, which we refer to as the "Vote Amendment," to the TDS Charter to fix the total percentage voting power of the Series A Common Shares, on the one hand, and Common Shares, on the other hand, in matters other than the election of directors at the aggregate percentage of the voting power of the Series A Common Shares and Common Shares, respectively, immediately prior to the effective time of the foregoing reclassification, subject to adjustment due to changes in the number of outstanding Series A Common Shares, as more fully described in the Proxy Statement and as revised by this Supplement, by the statutory votes required pursuant to Section 242(b) of the Delaware General Corporation Law as described in the Proxy Statement. We refer to Proposal 3 as the "Vote Amendment Statutory Vote."
4. To ratify and approve the Vote Amendment, and the TDS Board's decision to approve such amendment, based on a non-waivable condition voluntarily established by the TDS Board, by (i) approval by a majority of the outstanding Common Shares (excluding Common Shares held by Affiliated Persons), voting separately as a class, and (ii) approval by a majority of the outstanding Special Common Shares (excluding Special Common Shares held by Affiliated Persons), voting separately as a class. We refer to Proposal 4 as the "Vote Amendment Ratification Vote."
5. To consider and approve a proposal to amend and restate the TDS Charter, which we refer to as the "Ancillary Amendment," to eliminate obsolete and inoperative provisions relating to series of Preferred Shares that are no longer outstanding and relating to Tracking Stock, which has never been issued and which the TDS Board no longer has any intention of issuing, as more fully described in the Proxy Statement, by the statutory votes required pursuant to Section 242(b) of the Delaware General Corporation Law as described in the Proxy Statement.
6. To consider and approve the adoption of the Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan, which we refer to as the "Incentive Plan Adoption," related to the Share Consolidation Amendment, as more fully described in the Proxy Statement and as revised by this Supplement, by the vote described in the Proxy Statement.

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7. To consider and approve the adoption of an amendment and restatement of the Telephone and Data Systems, Inc. Compensation Plan for Non-Employee Directors, which we refer to as the "Director Plan Amendment," related to the Share Consolidation Amendment, as more fully described in the Proxy Statement, by the vote described in the Proxy Statement.
8. To approve a proposal to adjourn the Adjourned Special Meeting, if needed, to solicit additional votes in favor of Proposals 1, 2, 3 and 4, as described in this Supplement, by the vote described in the Proxy Statement. We refer to Proposal 8 as the "Adjournment Proposal."
9. To transact such other business as may properly be brought before the Adjourned Special Meeting or any and all adjournments thereof by or at the direction of the TDS Board.

The TDS Board has directed that the foregoing Proposals 1-8, as revised in the manner described in this Supplement, be brought before the Adjourned Special Meeting for approval by the shareholders of TDS.

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Exhibit B Revised Opinion from Citigroup Global Markets Inc.

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QUESTIONS AND ANSWERS

The following describes changes to the information included in the Proxy Statement as a result of the change to the reclassification ratio in the Share Consolidation Amendment and the adjournment of the Special Meeting. This information revises and supplements the Proxy Statement and should be read with the more detailed information contained in the Proxy Statement and in the Supplement below. You may obtain the information incorporated by reference in the Proxy Statement as supplemented hereby without charge by following the instructions under "Where You Can Find More Information" below.

Why am I receiving this Supplement?

The TDS Board has approved changes to the proposals included in the Proxy Statement. These changes are described more fully below in this Supplement.

In particular, the TDS Board has approved a change to the Share Consolidation Amendment in Proposals 1 and 2. As revised, each Special Common Share would be reclassified as one Common Share, each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares. The primary purpose of this change is to recognize the fact that the Common Shares have generally traded at a premium to the Special Common Shares. Based on a review of the historical average premium, the TDS Board determined that the holders of Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation. In addition, because the Series A Common Shares are convertible into Common Shares on a one-for-one basis, the TDS Board determined that the holders of Series A Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation. See "Revised Share Consolidation Amendment" below.

In addition, certain clarifying changes (not substantive in nature) are being made to the Vote Amendment as originally described in the Proxy Statement. See "Revised Vote Amendment" below.

In addition, the changes to the Share Consolidation Amendment and the adjournments of the Special Meeting discussed above have an effect on Proposal 6, which we refer to as the "Incentive Plan Adoption," relating to the adoption of the Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan, which we refer to as the "2011 Incentive Plan." Accordingly, certain changes have been made to Proposal 6 that was included in the Proxy Statement and to the 2011 Incentive Plan, which was attached as Exhibit C to the Proxy Statement.

See "Changes to Proposal 6 Adoption of Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan" below.

In addition, TDS has revised Proposal 8, the Adjournment Proposal, so that it applies to the Adjourned Special Meeting, as defined below. See "Changes to Proposal 8 Adjournment Proposal" below.

What does the TDS Board recommend?

The TDS Board, including the independent directors, has unanimously approved each proposal, including the revised Share Consolidation Amendment, the revised Vote Amendment, the revised Incentive Plan Adoption and the revised Adjournment Proposal, believes that the adoption of each proposal is in the best interests of TDS and its shareholders and unanimously recommends that you vote "**FOR**" each of the proposals, as revised by this Supplement.

What is the date, time and place of the Adjourned Special Meeting?

The adjourned Special Meeting to vote on the revised proposals described in this Supplement, which we refer to as the "Adjourned Special Meeting," will be held on Friday, January 13, 2012, at 11:00 a.m. Chicago time at the Standard Club, 320 S. Plymouth Court, Chicago, Illinois.

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What is the new record date for the Adjourned Special Meeting?

The record date for shareholders to vote at the Adjourned Special Meeting on January 13, 2012 has been changed from the close of business on August 18, 2011 to the close of business on December 9, 2011.

What do I need to do now?

As a result of the changes to the proposals and the record date, all proxies and broker votes previously submitted will be deemed null and void. **YOU MUST SIGN AND RETURN A NEW PROXY CARD OR ATTEND THE ADJOURNED SPECIAL MEETING AND VOTE IN PERSON FOR YOUR VOTE TO BE COUNTED AT THE ADJOURNED SPECIAL MEETING ON JANUARY 13, 2012.**

If you do not expect to be present and vote in person at the Adjourned Special Meeting, please sign and mail the enclosed proxy in the enclosed self-addressed envelope to Computershare Trust Company, N.A., P.O. Box 43126, Providence, Rhode Island 02940-5138, or vote by proxy on the Internet or by phone in accordance with the instructions on the proxy card.

Proxies given pursuant to this solicitation may be revoked at any time prior to the closing of polls at the Adjourned Special Meeting (by written notice to the Secretary of TDS, by submitting a later dated proxy or by attendance and voting in person at the Adjourned Special Meeting). Once the polls are closed, however, proxies may not be retroactively revoked.

What happens to the vote I previously submitted via proxy or broker instruction?

All proxies and broker votes previously submitted with respect to the proposals in the Proxy Statement will be deemed null and void. A new proxy card is enclosed to enable you to vote on the proposals listed above at the Adjourned Special Meeting. **YOUR VOTE IS IMPORTANT.** Whether or not you are able to attend the Adjourned Special Meeting in person, it is important that your shares be represented. If you received a copy of the proxy card by mail, you may sign, date and mail the proxy card in the envelope provided. Your vote can be changed if you attend the Adjourned Special Meeting, withdraw your proxy, and vote in person. Please vote as soon as possible.

What are the changes to the Share Consolidation Amendment in Proposals 1 and 2?

The Share Consolidation Amendment originally contemplated that each issued Special Common Share would be reclassified as one Common Share. The Share Consolidation Amendment did not originally contemplate reclassification of Common Shares or Series A Common Shares as a greater number of such shares.

As revised, each Special Common Share would be reclassified as one Common Share, each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares. The purpose of this change is to recognize the fact that the Common Shares have generally traded at a premium to the Special Common Shares. Based on a review of the historical average premium, the TDS Board determined that the holders of Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation. Also, because the Series A Common Shares are convertible into Common Shares on a one-for-one basis, the TDS Board determined that the holders of Series A Common Shares should receive 8.7% additional shares as compared to the holders of Special Common Shares in the Share Consolidation. See "Revised Share Consolidation Amendment" below.

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The following shows certain information about the status quo, the original Share Consolidation proposal and the revised Share Consolidation proposal based on shares outstanding as of September 30, 2011 and assuming the Charter Amendments became effective on such date:

1. Reclassification Ratio

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Common for Special		1.000	1.000
Common for Common		1.000	1.087
Series A for Series A		1.000	1.087

2. Common Stock Outstanding (in millions)

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>)	46.9	46.9	46.9
Common Shares	50.0	50.0	54.3
Subtotal	96.9	96.9	101.2
Series A Common Shares	6.5	6.5	7.1
Total	103.4	103.4	108.3

3. Percentage of Outstanding Common Stock

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>)	45.4%	45.4%	43.3%
Common Shares	48.3%	48.3%	50.1%
Subtotal	93.7%	93.7%	93.4%
Series A Common Shares	6.3%	6.3%	6.6%
Total	100.0%	100.0%	100.0%

4. Percentage Voting Power in Matters Other than Election of Directors

<i>Status</i>	<i>Pro Forma</i>	<i>Pro</i>
---------------	------------------	------------

	<i>Quo</i>	<i>Prior Proposal</i>	<i>Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>)		21.0%	20.1%
Common Shares	43.3%	22.3%	23.2%
Subtotal	43.3%	43.3%	43.3%
Series A Common Shares	56.7%	56.7%	56.7%
Total	100.0%	100.0%	100.0%

Table of Contents**5. Percentage Outstanding Shares held by TDS Voting Trust**

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):	5.9%	5.9%	5.6%
Common Shares	0.0%	0.0%	0.0%
Series A Common Shares	6.0%	6.0%	6.2%
Total	11.9%	11.9%	11.8%

6. Percentage Voting Power of TDS Voting Trust in Matters Other than Election of Directors

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):	0.0%	2.7%	2.6%
Common Shares	0.0%	0.0%	0.0%
Series A Common Shares	53.6%	53.6%	53.6%
Total	53.6%	56.3%	56.2%

7. Total Annual Dividends Paid based on Current Dividend Rate (in millions)

	<i>Status Quo</i>	<i>Pro Forma Prior Proposal</i>	<i>Pro Forma Revised Proposal</i>
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>) (1)	\$ 22.0	\$ 22.0	\$ 22.0
Common Shares	23.5	23.5	25.5
Subtotal	45.5	45.5	47.5
Series A Common Shares (1)	3.1	3.1	3.4
Total	\$ 48.6	\$ 48.6	\$ 50.9

(1)

Although the TDS Voting Trust would have an increase in dividends of approximately \$0.3 million per year with respect to its Series A Common Shares, because it currently holds approximately the same number of Special Common Shares, which would decline as a proportion of total equity, the percentage of total dividends paid to the TDS Voting Trust, as a percentage of total dividends paid to all shareholders, would decrease slightly from approximately 11.9% to 11.8%.

For additional information regarding TDS' current and proposed equity capitalization, see "Summary Comparison of Current Equity Capitalization with Proposed Capitalization, as Revised" below.

What are the changes to the Vote Amendment in Proposals 3 and 4?

No substantive changes are being made to the Vote Amendment as originally described in the Proxy Statement. Only certain clarifying changes are being made as discussed below. See "Revised Vote Amendment" below.

What are the changes to the Incentive Plan Adoption proposal in Proposal 6?

The changes to the Share Consolidation Amendment and the adjournments of the Special Meeting discussed above have an effect on Proposal 6 relating to the adoption of the 2011 Incentive Plan. Accordingly, certain changes have been made to Proposal 6 that was included in the Proxy Statement and to the 2011 Incentive Plan, which was attached as Exhibit C to the Proxy Statement. Proposal 6 and the 2011 Incentive Plan have been revised to provide that if the 2011 Incentive Plan is approved by

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shareholders, the 2011 Incentive Plan will be effective as of the effective date of the Charter Amendments, as revised in the manner described in this Supplement (and will be void and of no effect if the revised Charter Amendments are not effectuated). The revised 2011 Incentive Plan also provides that its terms will govern annual bonus deferrals and related employer match awards for calendar years commencing on or after January 1, 2013, and that such deferrals and match awards for calendar years commencing prior to January 1, 2013 will be governed by the Telephone and Data Systems, Inc. 2004 Long-Term Incentive Plan.

See "Changes to Proposal 6 Adoption of Telephone and Data Systems, Inc. 2011 Long-Term Incentive Plan" below.

What are the changes to the Adjournment Proposal in Proposal 8?

Proposal 8 in the Proxy Statement was intended to permit TDS to adjourn the Special Meeting on October 6, 2011, if needed, to solicit additional proxies if there were insufficient votes at the time of the Special Meeting to approve Proposal 1, 2, 3 or 4. TDS has revised Proposal 8 so that it applies to the Adjourned Special Meeting, as defined above. As a result, approval of revised Proposal 8 would authorize TDS to adjourn the Adjourned Special Meeting on January 13, 2012, if needed, to solicit additional proxies if there are insufficient votes at the time of the Adjourned Special Meeting to approve Proposal 1, 2, 3 or 4.

See "Changes to Proposal 8 Adjournment Proposal" below.

What are the federal income tax consequences of the proposals, as revised?

No gain or loss is expected to be recognized by any of the holders of Special Common Shares, Common Shares or Series A Common Shares as a result of the Charter Amendments, including the revised Share Consolidation Amendment, except to the extent of cash received in lieu of fractional shares.

See "Federal Income Tax Consequences" below for a more complete discussion of the federal income tax consequences of the Charter Amendments, including the revised Share Consolidation Amendment. You are strongly urged to consult your tax advisor as to the specific tax consequences to you of the Charter Amendments, including the application of federal, state, local and foreign income and other tax laws based on your particular facts and circumstances.

What will happen if the Charter Amendments become effective?

The following describes the anticipated effects on holders of Special Common Shares, Common Shares and Series A Common Shares if the Charter Amendments, as revised, become effective.

The following illustration assumes that you own 100 Special Common Shares.

Shares: In the Share Consolidation, your 100 Special Common Shares would be reclassified as 100 Common Shares.

Votes for Directors: The 100 Common Shares would continue to have 100 votes in the election of 25% of the directors plus one additional director (or a total of four directors based on the current TDS Board size of twelve directors). As of September 30, 2011, holders of Special Common Shares have approximately 48.4% of the aggregate voting power in the election of these four directors. After the Share Consolidation, in the aggregate, the current holders of Special Common Shares would have approximately 46.3% of the voting power in the election of these four directors.

Votes for Other Matters: Although the Special Common Shares currently do not have a vote in matters other than the election of directors, the 100 Common Shares into which such Special Common Shares are reclassified would, as Common Shares, vote in the election of directors and on all other matters. In matters other than the election of directors, the voting power of the 100 new Common Shares would float along with the voting power of all other Common Shares so that the total voting power of all Common Shares after the Charter Amendments are effective would equal approximately 43.3% (based on shares outstanding on September 30, 2011) of the total

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voting power of all outstanding shares of common stock in matters other than the election of directors (subject to adjustment based on changes in the outstanding Series A Common Shares as discussed below and in the Proxy Statement). As a result of the reclassification of all outstanding Special Common Shares as Common Shares in the Share Consolidation, the initial per share voting power of each Common Share in matters other than the election of directors would be approximately 0.54 votes per share. Accordingly, such 100 Special Common Shares, which currently do not vote in matters other than the election of directors, would initially have approximately 54 votes in matters other than the election of directors after those shares are reclassified as 100 Common Shares in the Share Consolidation, and thereafter would have voting power that would float depending on the number of outstanding Common Shares and Series A Common Shares, as discussed below and in the Proxy Statement.

Dividends: Subject to declaration or change in the per share dividend rate by the TDS Board, you would continue to receive a quarterly cash dividend of \$0.1175 per share with respect to the 100 Common Shares that you receive upon the reclassification of your 100 Special Common Shares, which is the amount of the per share quarterly dividend all holders of common stock currently receive. The amount of the aggregate quarterly dividend that a holder of 100 Special Common Shares currently receives is \$11.75, based on the current quarterly dividend rate of \$0.1175 per share. The amount of the aggregate quarterly dividend you would receive as a holder of 100 Common Shares would continue to be \$11.75, based on the current quarterly dividend rate of \$0.1175 per share.

NYSE: The Common Shares would be traded on the NYSE under the symbol "TDS." The Special Common Shares would no longer be outstanding and would cease to trade on the NYSE.

The following illustration assumes that you own 100 Common Shares.

Shares: In the Share Consolidation, your 100 Common Shares would be reclassified as 108 Common Shares and you would receive cash in lieu of 0.7 of a Common Share.

Votes for Directors: Currently, the 100 Common Shares have 100 votes in the election of 25% of the directors plus one additional director (or a total of four directors based on the current TDS Board size of twelve directors). After the Share Consolidation, the 108 Common Shares would have 108 votes in the election of these four directors. Currently, holders of Common Shares have approximately 51.6% of the aggregate voting power in the election of these four directors. After the Share Consolidation, the current holders of Common Shares would have approximately 53.7% of the aggregate voting power in the election of these four directors.

Votes for Other Matters: The 108 Common Shares would continue to vote in matters other than the election of directors. However, the Common Shares would no longer have one vote per share in such matters. Instead, the voting power of the Common Shares would float so that the total voting power of all Common Shares after the Charter Amendments are effective would equal approximately 43.3% (based on shares outstanding on September 30, 2011) of the total voting power of all outstanding shares of common stock in matters other than the election of directors (subject to adjustment based on changes in the outstanding Series A Common Shares as discussed below and in the Proxy Statement). As a result of the reclassification of all outstanding Special Common Shares as Common Shares in the Share Consolidation, the initial per share voting power of each Common Share would be approximately 0.54 votes per share. Accordingly, the total voting power of such 108 Common Shares would initially decline from 108 votes to approximately 58 votes in matters other than the election of directors after the Charter Amendments are effective and thereafter would have voting power that would float depending on the number of outstanding Common Shares and Series A Common Shares, as discussed below and in the Proxy Statement.

Dividends: Subject to declaration or change in the per share dividend rate by the TDS Board, you would continue to receive a quarterly cash dividend of \$0.1175 per share with respect to the 108 Common Shares that you receive upon the reclassification of your 100 Common Shares, which is the amount of the per share quarterly dividend all holders of common stock currently receive. The

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amount of the aggregate quarterly dividend a holder of 100 Common Shares currently receives is \$11.75, based on the current quarterly dividend rate of \$0.1175 per share. The amount of the aggregate quarterly dividend you would receive as a holder of 108 Common Shares would increase to \$12.69, based on the current quarterly dividend rate of \$0.1175 per share.

NYSE: The Common Shares would continue to be traded on the NYSE under the symbol "TDS."

The following illustration assumes that you own 100 Series A Common Shares.

Shares: In the Share Consolidation, your 100 Series A Common Shares would be reclassified as 108 Series A Common Shares and you would receive cash in lieu of 0.7 of a Series A Common Share.

Votes for Directors: The 108 Series A Common Shares would have 1,080 votes in the election of 75% of the directors less one director (or a total of eight directors based on the current TDS Board size of twelve directors). Because the Series A Common Shares currently have almost 100% of the voting power in the election of these eight directors, the increased number of shares would have no practical effect in the election of these directors.

Votes for Other Matters: The 108 Series A Common Shares would also have 1,080 votes in matters other than the election of directors. However, the voting power of the Series A Common Shares in matters other than the election of directors would be fixed based on shares outstanding immediately prior to the effectiveness of the Charter Amendments (approximately 56.7% based on shares outstanding on September 30, 2011) and thereafter could decrease depending on the number of outstanding Common Shares and Series A Common Shares, as discussed below and in the Proxy Statement. The additional Series A Common Shares issued in the Share Consolidation would not increase the aggregate percentage voting power of the Series A Common Shares in matters other than the election of directors above 56.7% (based on shares outstanding on September 30, 2011).

Dividends: Subject to declaration or change in the per share dividend rate by the TDS Board, you would continue to receive a quarterly cash dividend of \$0.1175 per share with respect to the 108 Series A Common Shares that you receive upon the reclassification of your 100 Series A Common Shares, which is the amount of the per share quarterly dividend all holders of common stock currently receive. The amount of the aggregate quarterly dividend a holder of 100 Series A Common Shares currently receives is \$11.75, based on the current quarterly dividend rate of \$0.1175 per share. The amount of the aggregate quarterly dividend you would receive as a holder of 108 Series A Common Shares would increase to \$12.69, based on the current quarterly dividend rate of \$0.1175 per share.

NYSE: There is no public market for the Series A Common Shares. The 108 Series A Common Shares would no longer be convertible into Special Common Shares, but would continue to be convertible into Common Shares on a share-for-share basis, or into 108 Common Shares. Thus, the Series A Common Shares would continue to be convertible into a class of stock that is listed and traded on the NYSE.

See "Revised Share Consolidation Amendment" and "Revised Vote Amendment" below.

What will happen to TDS' outstanding stock-based awards as a result of the revised Share Consolidation Amendment?

If the revised Share Consolidation Amendment becomes effective, TDS will appropriately adjust outstanding options, restricted stock units and other stock awards issued under the Telephone and Data Systems, Inc. 2004 Long-Term Incentive Plan to reflect the reclassification, and such awards will be settled solely in Common Shares. Such adjustment, including any adjustment to the exercise price of an option or number of Common Shares subject to the award, shall be determined in a manner consistent with requirements of applicable federal tax regulations and other applicable requirements.

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Did TDS receive a revised fairness opinion from a financial advisor?

In deciding to revise the Share Consolidation Amendment, the TDS Board received and considered a revised opinion from Citi to the effect that, as of the date of the opinion, and based upon and subject to the considerations and limitations set forth therein, Citi's work described below under "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" and other factors Citi deemed relevant, the reclassification ratio of one new Common Share for each outstanding Special Common Share and 1.087 new Common Shares for each outstanding Common Share was fair, from a financial point of view, to both the holders of Common Shares and the holders of Special Common Shares (solely in their capacity as holders of Common Shares or holders of Special Common Shares, as the case may be, and disregarding any interest any holder of Common Shares or Special Common Shares, as the case may be, may have in any other equity securities of TDS). The full text of the revised written opinion of Citi, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included in this Supplement as Exhibit B. We urge you to read the revised opinion in its entirety.

Citi's advisory services and opinion were provided for the information and assistance of the TDS Board in connection with its consideration of the revised Share Consolidation Amendment. Neither Citi's opinion nor the related analyses constituted a recommendation of the proposed Share Consolidation or the proposed reclassification ratio to the TDS Board. Citi's opinion was not intended to be and does not constitute a recommendation, and Citi does not make any recommendation, as to how any holder of TDS shares should vote with respect to the revised Share Consolidation Amendment or any of the other proposals.

See "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" below.

Did the independent directors of TDS receive financial and legal advice in connection with the changes to the revised Share Consolidation Amendment?

In connection with their consideration of the changes to the Share Consolidation Amendment, the independent directors received the advice of Credit Suisse as financial advisor, and Bass, Berry & Sims as legal advisor, to the independent directors.

How does the TDS Voting Trust intend to vote with respect to the revised proposals?

The TDS Voting Trust has advised TDS that it intends to vote FOR the revised proposals.

However, approval of the revised Share Consolidation Amendment in Proposals 1 and 2 and the revised Vote Amendment in Proposals 3 and 4 is not assured even if the TDS Voting Trust votes in favor of such proposals, due to the class votes described in the Proxy Statement.

What is the number of outstanding shares and voting power in matters other than the election of directors based on shares outstanding on September 30, 2011?

Each holder of outstanding Common Shares or Preferred Shares is entitled to one vote for each Common Share or Preferred Share held in such holder's name. Each holder of Series A Common Shares is entitled to ten votes for each Series A Common Share held in such holder's name. The following shows information relating to the outstanding shares, votes per share and total voting power

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(for all such shares in total and for each of the Series A Common Shares and Common Shares as a class) of such shares as of September 30, 2011:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Total Voting Power in Matters other than the Election of Directors</i>
Series A Common Shares	6,538,176	10	65,381,760
Common Shares	49,962,745	1	49,962,745
Preferred Shares	8,300	1	8,300
			115,352,805

The above also shows the individual class voting power of the Series A Common Shares and of the Common Shares based on shares outstanding as of September 30, 2011.

Also, under the TDS Charter, the holders of Special Common Shares do not vote for matters other than the election of certain directors except as required by law or regulation. However, the holders of Special Common Shares have a statutory class vote under the Delaware General Corporation Law with respect to the Share Consolidation Amendment. In addition, the TDS Board has determined to voluntarily submit the Share Consolidation Amendment and the Vote Amendment for approval and ratification by a majority vote of the holders of Special Common Shares other than Affiliated Persons (voting separately as a class), as well as by a majority vote of the holders of Common Shares other than Affiliated Persons (voting separately as a class). Accordingly, the following shows information relating to the outstanding shares, votes per share and total voting power of the Special Common Shares as of September 30, 2011:

<i>Class of Stock</i>	<i>Outstanding Shares</i>	<i>Votes per Share</i>	<i>Total Voting Power</i>
Special Common Shares	46,886,045	1	46,886,045

What is the number of shares held by Affiliated Persons as of September 30, 2011?

In the ratification votes under Proposals 2 and 4, shares held by Affiliated Persons will be excluded. The following shows the number of outstanding Common Shares and Special Common Shares as of September 30, 2011 that are considered to be held by Affiliated Persons for purposes of these votes:

<i> Holders</i>	<i>Common Shares</i>	<i>Special Common Shares</i>
Held by TDS Voting Trust		6,096,009
Held by Non-Voting Trust Affiliated Persons	156,892	315,928
Total	156,892	6,411,937

What votes are required for approval of the revised proposals?

The votes required for approval of the revised proposals are the same as were described in the Proxy Statement, except that, in addition to the votes described in the Proxy Statement, Proposal 1 will also require the approval of the holders of a majority of the voting power of the Series A Common Shares outstanding and entitled to vote thereon, voting as a separate class.

The vote of the holders of Series A Common Shares, Common Shares and Preferred Shares in Proposal 1 will also serve to satisfy the vote required for the issuance of additional Common Shares and Series A Common Shares upon the reclassification pursuant to Section 312.03 of the NYSE Listed Company Manual.

What is the procedure for effecting the Charter Amendments and the impact on holders of stock certificates?

If shareholders approve the proposed Charter Amendments, including the revised Share Consolidation Amendment, and the TDS Board determines to implement the proposed Charter

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Amendments, TDS will file a Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. The Charter Amendments would become effective at the time and date specified in such Restated Certificate of Incorporation, which we refer to as the "Effective Time."

Beginning at the Effective Time, without further action by the holders of TDS shares, (i) existing certificates representing Special Common Shares will automatically represent an equal number of Common Shares, (ii) existing certificates representing Common Shares will automatically represent an equal number of Common Shares, and (iii) existing certificates representing Series A Common Shares will automatically represent an equal number of Series A Common Shares. To the extent feasible, certificates will not be distributed with respect to the 0.087 additional shares. Such additional shares will be distributed to record holders in book entry form, to the extent feasible. Following the Effective Time, each holder of Common Shares and Series A Common Shares will receive a statement showing the number of additional shares credited to such holder and a check in payment for any fractional shares.

Should I send in my stock certificates?

No. You should not send in your existing stock certificates representing shares of TDS. It will not be necessary for holders of Special Common Shares, Common Shares or Series A Common Shares to exchange their existing certificates for new certificates.

Shareholders should retain all certificates which currently represent Special Common Shares because such certificates will continue to represent Special Common Shares if the Share Consolidation Amendment does not become effective, and will represent Common Shares if the Share Consolidation Amendment becomes effective.

Shareholders should also retain all certificates representing Common Shares and Series A Common Shares. Such certificates will continue to represent the number of Common Shares or Series A Common Shares, respectively, identified on the certificates, whether or not the Share Consolidation Amendment becomes effective. If the Share Consolidation Amendment becomes effective, Computershare will distribute the additional Common Shares resulting from the Share Consolidation Amendment with respect to outstanding Common Shares and the additional Series A Common Shares resulting from the Share Consolidation Amendment with respect to outstanding Series A Common Shares, and cash in lieu of fractional shares, in the following manner. Holders of Common Shares and Series A Common Shares will not be required to surrender certificates to receive the additional shares or cash in lieu of fractional shares.

Except as discussed in the answer to the next question, no fractional shares will be issued in connection with the reclassification of each Common Share as 1.087 Common Shares or the reclassification of each Series A Common Share as 1.087 Series A Common Shares. The number of additional Common Shares or Series A Common Shares to which each holder of Common Shares or Series A Common Share is entitled as a result of the Share Consolidation will be determined as follows. The number of Common Shares or Series A Common Shares held of record by each record holder at the Effective Time will be multiplied by 0.087. If the product so obtained is not a whole number, the result will be rounded down to the next smaller whole number and holders of Common Shares or Series A Common Shares will be issued such whole number of Common Shares or Series A Common Shares, respectively. To the extent feasible, certificates will not be distributed with respect to the 0.087 additional shares. Such additional shares will be distributed to record holders in book entry form, to the extent feasible. In lieu of any fractional Common Share or fractional Series A Common Share to which such record holder would have been entitled but for the foregoing rounding, TDS will pay to such record holder an amount in cash equal to the product obtained by multiplying such fraction by the closing price of a Common Share on the NYSE on the last full trading day before the Effective Time.

If the Share Consolidation Amendment becomes effective, the former holders of Special Common Shares will be able to request Common Share certificates in exchange for the old Special Common Share certificates, but there will be no need to do so. In addition, holders of Common Shares and Series A Common Shares who receive additional shares in book entry form may request certificates for such shares, but there will be no need to do so. You can make such requests by contacting TDS'

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transfer agent and registrar, Computershare Trust Company, N.A., which we refer to as "Computershare," at 1-877-337-1575 or online at www.computershare.com.

If you are the beneficial owner of shares held in "street name" by a broker, bank, or other nominee, you should contact such nominee to determine how you will receive your shares and cash in lieu of any fractional shares.

What will happen if I participate in one of the TDS Dividend Reinvestment Plans?

TDS sponsors a Special Common Share Automatic Dividend Reinvestment and Stock Purchase Plan, which we refer to as the "Special Common Share DRIP," a Common Share Automatic Dividend Reinvestment and Stock Purchase Plan, which we refer to as the "Common Share DRIP," and a Series A Common Share Automatic Dividend Reinvestment Plan, which we refer to as the "Series A DRIP."

Participants in the Special Common Share DRIP will automatically have all of the Common Shares into which such participant's Special Common Shares in the Special Common Share DRIP have been reclassified credited to the Common Share DRIP in book entry form. Whole and fractional shares will be credited to the accounts of participants. Shareholders can request certificates to be issued as set forth in the Common Share DRIP. The Special Common Share DRIP will be terminated if the Share Consolidation Amendment becomes effective because there will no longer be any Special Common Shares authorized or outstanding.

Participants in the Common Share DRIP will automatically have the additional Common Shares received in the reclassification credited to the account of such participant in the Common Share DRIP in book entry form. Pursuant to the Common Share DRIP, whole and fractional shares will be credited to the accounts of participants. As a result, participants will be issued fractional shares in lieu of a cash payment. Shareholders can request certificates to be issued as set forth in the Common Share DRIP.

Participants in the Series A DRIP will automatically have the additional Series A Common Shares received in the reclassification credited to the account of such participant in the Series A DRIP in book entry form. Pursuant to the Series A DRIP, whole and fractional shares will be credited to the accounts of participants. As a result, participants will be issued fractional shares in lieu of a cash payment. Shareholders can request certificates to be issued as set forth in the Series A DRIP.

Do shareholders have dissenters' rights with respect to the revised Share Consolidation Amendment?

No holders of capital stock of TDS have the right to dissent and receive payment for their shares (sometimes referred to as appraisal rights) under Delaware law in connection with the revised Share Consolidation Amendment or with respect to any of the other proposals.

Do shareholders have additional possible regulatory requirements as a result of the revised Share Consolidation Amendment?

Shareholders meeting applicable size thresholds who will hold TDS common stock valued at \$66 million or more after the Share Consolidation may have a pre-merger notification filing obligation under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, unless the shareholder qualifies for an exemption to the filing requirements under such Act.

Can the Adjourned Special Meeting to be held on January 13, 2012 be further adjourned or postponed?

Even if a quorum is present, holders of a majority of the voting power of the voting stock of TDS represented in person or by proxy may adjourn or postpone the Adjourned Special Meeting. Because it holds a majority of the voting power of all classes of stock of TDS, the TDS Voting Trust has the voting power to propose and approve an adjournment or postponement.

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In addition, the TDS Board is asking shareholders to approve Proposal 8, as revised, which would give the persons named in the enclosed proxy discretionary authority to further adjourn the Adjourned Special Meeting to solicit additional votes for Proposal 1, 2, 3 or 4.

Also, the Adjourned Special Meeting could be postponed before it is convened, and any adjournment or postponement can be postponed before it is convened. TDS does not currently have any expectation that the Adjourned Special Meeting would be adjourned or postponed.

Who is soliciting proxies for the Adjourned Special Meeting?

Your proxy is solicited by the TDS Board and the cost of solicitation will be paid by TDS. Officers, directors and regular employees of TDS, acting on its behalf, may also solicit proxies by mail, email, advertisement, telephone, telecopy, press release, employee communication, postings on TDS' Internet website and Intranet website or in person. No remuneration, other than regular compensation, will be paid to any such officer, director or employee in connection with such activities. TDS has not engaged any agents to solicit proxies and no commission or other remuneration is being paid or given directly or indirectly for soliciting such proxies.

What do I do if I have additional questions about voting procedures or need additional copies of this Supplement, the Proxy Statement or the Proxy Cards?

If you have any questions about voting procedures prior to the Adjourned Special Meeting, please contact TDS' information agent, MacKenzie Partners, Inc., at the address, telephone number, fax number or email address indicated below. Any substantive questions about the proposals will be directed to TDS. The services of MacKenzie Partners are ministerial and will not involve any recommendation by MacKenzie Partners with respect to the proposals or encouragement to vote in a particular manner.

Additional copies of this Supplement, the Proxy Statement or the proxy cards may be obtained from the information agent as follows:

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)

or

CALL TOLL-FREE (800) 322-2885
FAX: (212) 929-0308
TDSproxy@mackenziepartners.com

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**SUMMARY COMPARISON OF CURRENT EQUITY CAPITALIZATION
WITH PROPOSED CAPITALIZATION, AS REVISED**

The following is an updated summary of the differences between the equity capitalization of TDS as of September 30, 2011, under the column captioned "Status Quo," and the equity capitalization of TDS on a pro forma basis as of September 30, 2011, under the column captioned "Pro-Forma," as if the revised Charter Amendments had become effective on that day, reflecting the reclassification ratio of one Common Share per Special Common Share, 1.087 Common Shares per Common Share and 1.087 Series A Common Shares per Series A Common Share. Reference to shares held by "Non-Voting Trust Affiliated Persons" is comprised of shares held by members of the Carlson family outside of the TDS Voting Trust and shares held by directors and executive officers of TDS outside of the TDS Voting Trust. "Other Shareholders" refers to holders of Series A Common Shares, Common Shares or Special Common Shares other than the Affiliated Persons. The following numbers are rounded and assume that fractional shares will be issued rather than redeemed for cash. (Some columns may not total due to rounding.)

NOTE: Shares that are Special Common Shares in the Status Quo column represent Common Shares in the Pro Forma column following the Share Consolidation.

1. Authorized Shares

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares		
Series that remain outstanding	9,577	9,577
Series that are no longer outstanding	269,824	269,824
Total Preferred Shares	279,401	279,401
Undesignated Shares	4,720,599	4,720,599
Preferred Shares and Undesignated Shares	5,000,000	5,000,000
Common Stock:		
Series A Common Shares	25,000,000	25,000,000
Special Common Shares	165,000,000	
Common Shares	100,000,000	265,000,000
Total Shares of Common Stock	290,000,000	290,000,000
Tracking Stock		
Telecom Group Shares	90,000,000	
Cellular Group Shares	140,000,000	
Aerial Group Shares	95,000,000	
Total Shares of Tracking Stock	325,000,000	
Total Shares of Capital Stock	620,000,000	295,000,000

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	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	8,300	8,300
Series A Common Shares:		
Held by TDS Voting Trust	6,186,870	6,725,127
Held by Non-Voting Trust Affiliated Persons	257,170	279,544
Held by Other Shareholders	94,136	102,326
Subtotal Series A Common Shares	6,538,176	7,106,997
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Held by TDS Voting Trust	6,096,009	6,096,009
Held by Non-Voting Trust Affiliated Persons	315,928	315,928
Held by Other Shareholders	40,474,108	40,474,108
Subtotal Special Common Shares	46,886,045	
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	156,892	170,542
Held by Other Shareholders	49,805,853	54,138,962
Subtotal Common Shares	49,962,745	101,195,549
Total Common Stock	103,386,966	108,302,546

3. Outstanding Shares as a Percent of Common Equity

	<i>Status Quo</i>	<i>Pro-Forma</i>
Series A Common Shares:		
Held by TDS Voting Trust	6.0%	6.2%
Held by Non-Voting Trust Affiliated Persons	0.2%	0.3%
Held by Other Shareholders	0.1%	0.1%
Subtotal Series A Common Shares	6.3%	6.6%
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Held by TDS Voting Trust	5.9%	5.6%
Held by Non-Voting Trust Affiliated Persons	0.3%	0.3%
Held by Other Shareholders	39.2%	37.4%
Subtotal Special Common Shares	45.4%	
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	0.1%	0.1%
Held by Other Shareholders	48.2%	50.0%

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Subtotal Common Shares	48.3%	93.4%
Total Common Stock	100.0%	100.0%

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	<i>Status Quo</i>	<i>Pro-Forma</i>
Series A Common Shares and Preferred Shares	Elects 75% of directors less one director (or 8 directors based on 12 directors).	Would continue to vote in the election of 75% of directors less one director (or 8 directors based on 12 directors).
Common Shares	Votes together with holders of Special Common Shares in the election of 25% of directors plus one director (or 4 directors based on 12 directors).	Would continue to vote in the election of 25% of directors plus one director (or 4 directors based on 12 directors).
Special Common Shares	Votes together with holders of Common Shares in the election of 25% of directors plus one director (or 4 directors based on 12 directors).	

5. Voting Power in Election of Directors

	<i>Status Quo</i>	<i>Pro-Forma</i>
8 Directors:		
Preferred Shares	8,300	8,300
Series A Common Shares:		
Held by TDS Voting Trust	61,868,700	67,251,277
Held by Non-Voting Trust Affiliated Persons	2,571,700	2,795,438
Held by Other Shareholders	941,360	1,023,258
Total Preferred Shares and Series A Common Shares	65,390,060	71,078,273
4 Directors:		
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Held by TDS Voting Trust	6,096,009	6,096,009
Held by Non-Voting Trust Affiliated Persons	315,928	315,928
Held by Other Shareholders	40,474,108	40,474,108
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	156,892	170,542
Held by Other Shareholders	49,805,853	54,138,962
Total	96,848,790	101,195,549

Table of Contents**6. Percentage Voting Power in Election of Directors**

	<i>Status Quo</i>	<i>Pro-Forma</i>
8 Directors:		
Preferred Shares	(1)	(1)
Series A Common Shares:		
Held by TDS Voting Trust	94.6%	94.6%
Held by Non-Voting Trust Affiliated Persons	3.9%	3.9%
Held by Other Shareholders	1.5%	1.5%
Total	100.0%	100.0%

4 Directors:

	<i>Status Quo (Common Shares Pro Forma)</i>	<i>Pro Forma</i>
Special Common Shares		
Held by TDS Voting Trust	6.3%	6.0%
Held by Non-Voting Trust Affiliated Persons	0.3%	0.3%
Held by Other Shareholders	41.8%	40.0%
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	0.2%	0.2%
Held by Other Shareholders	51.4%	53.5%
Total	100.0%	100.0%

(1) Less than 0.1%

7. Votes per Share in Matters Other than Election of Directors

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	1 vote per share.	1 vote per share.
Series A Common Shares	10 votes per share.	10 votes per share.
Common Shares	1 vote per share.	Vote per share would float, initially approximately 0.537 votes per share.
Special Common Shares	None except as required by law.	

Table of Contents**8. Voting Power in Matters Other than Election of Directors (using Pro-Forma voting power per Common Share of approximately 0.53668 assuming Share Consolidation had occurred on September 30, 2011) (2)**

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	8,300	8,300
Series A Common Shares:		
Held by TDS Voting Trust	61,868,700	67,251,277
Held by Non-Voting Trust Affiliated Persons	2,571,700	2,795,438
Held by Other Shareholders	941,360	1,023,258
Subtotal Series A Common Shares	65,381,760	71,069,973
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Held by TDS Voting Trust		3,271,599
Held by Non-Voting Trust Affiliated Persons		169,552
Held by Other Shareholders		21,721,595
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	156,892	91,526
Held by Other Shareholders	49,805,853	29,055,232
Subtotal Common Shares	49,962,745	54,309,504
Total	115,352,805	125,387,777

(2)

Unless otherwise required by law, and except with respect to mergers as discussed below, the Preferred Shares, the Series A Common Shares and the Common Shares vote together as a single group in matters other than the election of directors, and the Special Common Shares have no votes in such matters.

9. Percentage Voting Power in Matters Other than Election of Directors

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	(3)	(3)
Series A Common Shares:		
Held by TDS Voting Trust	53.6%	53.6%
Held by Non-Voting Trust Affiliated Persons	2.2%	2.2%
Held by Other Shareholders	0.9%	0.9%
Subtotal Series A Common Shares	56.7%	56.7%

Special Common Shares Status Quo (*Common Shares Pro Forma*):

Held by TDS Voting Trust		2.6%
Held by Non-Voting Trust Affiliated Persons		0.1%
Held by Other Shareholders		17.4%
Common Shares:		
Held by TDS Voting Trust		
Held by Non-Voting Trust Affiliated Persons	0.1%	0.1%
Held by Other Shareholders	43.2%	23.1%
Subtotal Common Shares	43.3%	43.3%
Total	100.0%	100.0%

(3) Less than 0.1%

Table of Contents**10. Treasury Shares and Shares held by Subsidiary**

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares and Undesignated Shares		
Series A Common Shares		
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Treasury Shares	16,072,367	16,072,367
Shares held by Subsidiary	484,012	484,012
Subtotal Special Common Shares	16,556,379	
Common Shares:		
Treasury Shares	6,645,788	7,223,972
Shares held by Subsidiary	484,012	526,121
Subtotal Common Shares	7,129,800	24,306,472
Total Common Stock	23,686,179	24,306,472

11. Shares Reserved for Issuance

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares and Undesignated Shares		
Series A Common Shares:		
Dividend Reinvestment Plan	80,699	80,699
Subtotal Series A Common Shares	80,699	80,699
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Possible Conversion of Series A Common Shares	6,730,000	(4)
2004 Long-Term Incentive Plan	9,115,581	9,115,581
Dividend Reinvestment Plan	248,176	248,176
Compensation Plan for Non-Employee Directors	54,524	54,524
Tax Deferred Savings Plan	45,000	45,000
Subtotal Special Common Shares	16,193,281	
Common Shares:		
Possible Conversion of Series A Common Shares	6,618,875	7,194,717
2004 Long-Term Incentive Plan	1,955,211	1,955,211
Dividend Reinvestment Plan	299,173	299,173
Tax Deferred Savings Plan	45,341	45,341
Subtotal Common Shares	8,918,600	18,957,723
Total Common Stock	25,192,580	19,038,422

(4)

The reserve for possible conversion of Series A Common Shares into Special Common Shares will be eliminated if the Charter Amendments become effective because the Series A Common Shares would thereafter only be convertible into Common Shares, and a reserve for such purposes is included under "Common Shares."

Table of Contents**12. Authorized Shares Available for Issuance based on Shares and Reserves as of September 30, 2011** (Authorized Shares (Item 1) less Outstanding Shares (Item 2) less Treasury Shares and Shares held by Subsidiary (Item 10) and less Shares Reserved for Issuance (Item 11))

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares and Undesignated Shares	4,991,700	4,991,700
Series A Common Shares	18,381,125	17,812,304
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):	85,364,295	92,094,295
Common Shares	33,988,855	28,445,961
Total Common Shares	33,988,855	120,540,256 (5)

(5) In addition, treasury shares identified above under Item 10 could be used instead of or in addition to issuing such authorized but unissued shares.

13. Additional Shares to be Reserved for Issuance (per Proposal 6)

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares and Undesignated Shares		
Series A Common Shares		
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):		
Common Shares:		
2011 Long-Term Incentive Plan		6,000,000
Total Common Shares		6,000,000

14. Authorized Shares Available for Issuance After Deductions of Additional Shares to be Reserved for Issuance (Authorized Shares Available for Issuance based on Shares and Reserves as of September 30, 2011 (Item 12) less Additional Shares to be Reserved for Issuance (Item 13))

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares and Undesignated Shares	4,991,700	4,991,700
Series A Common Shares	18,381,125	17,812,304
Special Common Shares Status Quo (<i>Common Shares Pro Forma</i>):	85,364,295	92,094,295
Common Shares	33,988,855	22,445,961

Total Common Shares	33,988,855	114,540,256 (6)
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(6) In addition, treasury shares identified above under Item 10 could be used instead of or in addition to issuing such authorized but unissued shares.

Table of Contents**15. Cash Dividends**

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	Preferred Shares have a senior preference to all common stock.	Preferred Shares would continue to have a senior preference to all common stock.
Series A Common Shares	Series A Common Shares are entitled to the same or lesser per share dividends than Common Shares and Special Common Shares.	Series A Common Shares are entitled to the same or lesser per share dividends than Common Shares.
Common Shares	Common Shares are entitled to the same per share dividends as the Special Common Shares, and the same or greater per share dividends than Series A Common Shares.	Common Shares are entitled to the same or greater per share dividends than Series A Common Shares.
Special Common Shares	Special Common Shares are entitled to the same per share dividends as Common Shares, and the same or greater per share dividends than Series A Common Shares.	

16. Conversion Rights

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	As set forth in designation.	As set forth in designation.
Series A Common Shares	Convertible on a share-for-share basis into Common Shares or Special Common Shares.	Convertible on a share-for-share basis into Common Shares.
Common Shares	Not convertible into any other class of stock.	Not convertible into any other class of stock.
Special Common Shares	Not convertible into any other class of stock.	

17. Preemptive Rights

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	As set forth in designation.	As set forth in designation.
Series A Common Shares	Preemptive right to purchase additional Series A Common Shares for cash.	Preemptive right to purchase additional Series A Common Shares for cash.
Common Shares	No preemptive rights to acquire any class of stock.	No preemptive rights to acquire any class of stock.
Special Common Shares	No preemptive rights to acquire any class of stock.	

Table of Contents**18. Liquidation**

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	Preferred Shares have a senior preference to all common stock. Subject to such preference, shares of common stock are entitled to receive the remaining assets of TDS, divided among the holders of common stock in accordance with the per share "Liquidation Units" attributable to each class of common stock.	Preferred Shares will continue to have a senior preference to all common stock. Subject to such preference, shares of common stock are entitled to receive the remaining assets of TDS, divided among the holders of common stock in accordance with the per share "Liquidation Units" attributable to each class of common stock.
Series A Common Shares	Series A Common Shares are entitled to one Liquidation Unit per share.	Series A Common Shares are entitled to one Liquidation Unit per share.
Common Shares	Common Shares are entitled to one Liquidation Unit per share.	Common Shares are entitled to one Liquidation Unit per share.
Special Common Shares	Special Common Shares are entitled to one Liquidation Unit per share.	

19. Merger Consideration

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	No specific provision.	No specific provision.
Series A Common Shares	No specific provision.	No specific provision.
Common Shares	Common Shares and Special Common Shares are generally entitled to receive the same per share consideration.	This provision would be deleted because there would no longer be any Special Common Shares.
Special Common Shares	Special Common Shares and Common Shares are generally entitled to receive the same per share consideration.	

20. Voting Rights for Mergers

	<i>Status Quo</i>	<i>Pro-Forma</i>
Preferred Shares	No specific provision.	No specific provision.
Series A Common Shares	Holders of Series A Common Shares have a class vote for any merger requiring the approval of TDS shareholders.	Holders of Series A Common Shares will continue to have a class vote for any merger requiring the approval of TDS shareholders.
Common Shares	Holders of Common Shares have a class vote for any merger requiring the approval of TDS shareholders.	Holders of Common Shares will continue to have a class vote for any merger requiring the approval of TDS shareholders.
Special Common Shares	Holders of Special Common Shares have no vote for any merger requiring the approval of TDS shareholders.	

Table of Contents**SELECTED CONSOLIDATED FINANCIAL INFORMATION AND PER SHARE INFORMATION**

Because the Charter Amendments will not have any effect on the business, operations or overall capitalization of TDS, except that shares of common stock will be reclassified as described herein, TDS believes that TDS financial statements and financial information are not material for the exercise of prudent judgment with respect to the decision whether to vote for adoption of the Charter Amendments and related proposals. Nevertheless, TDS has incorporated in this Supplement its prior SEC filings which include its annual and interim financial statements and information. In addition, TDS is providing the following selected consolidated financial information and per share information for reference by shareholders. The following table sets forth selected consolidated financial information for TDS for each of the fiscal years in the five-year period ended December 31, 2010 and for the nine months ended September 30, 2011 and 2010. The information for each of the fiscal years in the five-year period ended December 31, 2010 has been derived from the audited consolidated financial statements for such years, as revised. The information for each of the nine-month periods ended September 30, 2011 and 2010 has been derived from TDS' Quarterly Report on Form 10-Q for the period ended September 30, 2011. The following also includes comparative per share earnings, dividends and book value amounts for or as of the end of such periods. The information is only a summary and you should read it in conjunction with the financial statements (and related notes) incorporated by reference herein. See also "Where You Can Find More Information" below.

<i>Period/Year Ended (Dollars and shares in thousands, except per share amounts)</i>	<i>September 30,</i>			<i>December 31,</i>			
	<i>2011</i>	<i>2010</i>	<i>2010</i>	<i>2009</i>	<i>2008</i>	<i>2007</i>	<i>2006</i>
	<i>unaudited</i>						
Statement of Operations data							
Operating revenues	\$3,863,744	\$3,721,070	\$4,986,829	\$5,019,943	\$5,091,388	\$4,822,471	\$ 4,364,180
Operating income (a)	343,152	276,112	296,091	407,844	132,919	511,072	406,909
Gain (loss) on investments and financial instruments	26,103				31,595	81,423	(137,679)
Net income	252,255	170,078	190,586	249,949	120,483	456,360	205,056
Net income attributable to noncontrolling interests, net of tax	45,503	38,373	45,737	58,602	29,817	71,964	44,502
Net income attributable to TDS shareholders	206,752	131,705	144,849	191,347	90,666	384,396	160,554
Net income available to common	\$ 206,715	\$ 131,668	\$ 144,799	\$ 191,296	\$ 90,614	\$ 384,344	\$ 160,389
Basic weighted average shares outstanding	103,672	105,443	105,111	109,339	115,817	117,624	115,904

Basic earnings
per share
attributable to
TDS
shareholders
from:

Net income available to common	\$	1.99	\$	1.25	\$	1.38	\$	1.75	\$	0.78	\$	3.27	\$	1.38
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Diluted
weighted
average shares
outstanding
during the
period

	104,094	105,800	105,506	109,577	116,255	119,126	116,844
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Diluted earnings
per share
attributable to
TDS
shareholders
from:

Net income available to common	\$	1.98	\$	1.24	\$	1.37	\$	1.74	\$	0.78	\$	3.21	\$	1.36
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Dividends per
Common,
Special
Common and
Series A

Common Share	\$	0.3525	\$	0.3375	\$	0.4500	\$	0.4300	\$	0.4100	\$	0.3900	\$	0.3700
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**Balance Sheet
data**

Total assets	\$8,162,560	\$7,654,486	\$7,722,568	\$7,571,835	\$7,632,731	\$9,861,993	\$10,610,299
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Long-term debt,
excluding
current portion

	1,528,350	1,492,022	1,499,862	1,492,908	1,621,422	1,632,226	1,633,308
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Common,
Special
Common &
Series A
Common
Shares, Par
Value (\$.01 per
share)

	\$	1,270	\$	1,270	\$	1,270	\$	1,270	\$	1,270	\$	1,268	\$	1,268
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Capital in
excess of par
value

	2,116,063	2,101,882	2,107,929	2,088,807	2,066,597	2,048,110	1,992,597
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Treasury and
Special
Treasury shares
at cost

	(754,302)	(724,533)	(738,695)	(681,649)	(513,108)	(325,467)	(374,128)
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Accumulated other comprehensive income (loss)	(2,923)	(3,395)	(3,208)	(2,710)	(13,391)	515,043	527,669
Retained earnings	2,619,055	2,454,419	2,450,599	2,361,560	2,222,067	1,686,053	1,425,688
Total TDS shareholders' equity	3,979,163	3,829,643	3,817,895	3,767,278	3,763,435	3,925,007	3,573,094
Preferred shares	830	830	830	832	852	860	863
Noncontrolling interests	649,412	661,560	647,013	662,561	647,802	653,218	611,188
Total Equity	\$4,629,405	\$4,492,033	\$4,465,738	\$4,430,671	\$4,412,089	\$4,579,085	\$ 4,185,145
Outstanding shares of common stock at period end	103,387	104,410	103,936	106,022	112,198	117,824	116,592
Common Equity (Book Value) per Share	\$ 38.49	\$ 36.68	\$ 36.73	\$ 35.53	\$ 33.54	\$ 33.31	\$ 30.65

- (a) Includes loss on impairment of intangible assets of \$14.0 million in 2009 and \$414.4 million in 2008.

Table of Contents**PRO FORMA INFORMATION****Comparative Unaudited Pro Forma Equity and Earnings Per Share Information:**

The following pro forma balance sheet information illustrates the change in TDS shareholders' equity accounts as of September 30, 2011, had the reclassification been in effect as of that date.

<i>(Dollars and shares in thousands, except per share amounts)</i>	<i>Actual September 30, 2011</i>	<i>Pro Forma September 30, 2011</i>
TDS shareholders' equity		
Common Shares (authorized 100,000 shares; issued 57,093 shares; and outstanding 49,963 shares)	\$ 571	\$
Special Common Shares (authorized 165,000 shares; issued 63,442 shares; and outstanding 46,886 shares)	634	
Series A Common Shares (authorized 25,000 shares; issued and outstanding 6,538 shares)	65	
Common Shares (authorized 265,000 shares; issued 125,502 shares; and outstanding 101,196 shares)		1,255
Series A Common Shares (authorized 25,000 shares; issued and outstanding 7,107 shares)		71
Capital in excess of par	2,116,063	2,220,469
Treasury shares at cost:		
Common Shares (7,130 shares)	(208,808)	
Special Common Shares (16,556 shares)	(545,494)	
Common Shares (24,306 shares)		(754,302)
Accumulated and other comprehensive loss	(2,923)	(2,923)
Retained earnings	2,619,055	2,514,593
Total TDS shareholders' equity	3,979,163	3,979,163
Preferred shares	830	830
Noncontrolling interest	649,412	649,412
Total equity	\$ 4,629,405	\$ 4,629,405

The reclassification of \$104.5 million from Retained earnings to Capital in excess of par reflects the incremental Common Shares and Series A Common Shares issued to shareholders based on the closing price of TDS Common Shares of \$21.25 as of September 30, 2011.

The following pro forma earnings per share information illustrates the change in our Basic earnings per share and Diluted earnings per share for the nine months ended September 30, 2011 and the full year ended December 31, 2010, had the reclassification been in effect during those periods.

	<i>Nine Months Ended September 30, 2011</i>		<i>Twelve Months Ended December 31, 2010</i>	
	<i>Actual</i>	<i>Pro Forma</i>	<i>Actual</i>	<i>Pro Forma</i>
Basic earnings per share attributable to TDS shareholders	\$ 1.99	\$ 1.90	\$ 1.38	\$ 1.32
Diluted earnings per share attributable to TDS shareholders	\$ 1.98	\$ 1.89	\$ 1.37	\$ 1.31
Basic weighted average shares outstanding	103,672	108,586	105,111	110,016
Diluted weighted average shares outstanding	104,094	109,175	105,506	110,488

Table of Contents**DIVIDENDS AND PRICE RANGES OF SPECIAL COMMON SHARES AND COMMON SHARES****Special Common Shares**

The following table updates the high and low sales prices of the Special Common Shares on the NYSE as reported by the NYSE, and the dividends paid per Special Common Share during the periods indicated:

	<i>Sales Prices</i>		<i>Dividends</i>
	<i>High</i>	<i>Low</i>	<i>Paid</i>
2011			
Third Quarter	\$ 27.61	\$ 19.72	0.1175
Fourth Quarter (through November 25, 2011)	\$ 23.75	\$ 18.24	*

*

A dividend of \$0.1175 per share was declared on November 17, 2011 payable on December 30, 2011 to shareholders of record on December 19, 2011.

On November 28, 2011, the trading day immediately before the first announcement of the revised proposals, the closing sale price of the Special Common Shares was \$21.57 per share, as reported on the NYSE composite transactions.

Common Shares

The following table updates the high and low sales prices of the Common Shares on the NYSE as reported by the NYSE, and the dividends paid per Common Share during the periods indicated:

	<i>Sales Prices</i>		<i>Dividends</i>
	<i>High</i>	<i>Low</i>	<i>Paid</i>
2011			
Third Quarter	\$ 32.00	\$ 20.30	0.1175
Fourth Quarter (through November 25, 2011)	\$ 26.33	\$ 19.34	*

*

A dividend of \$0.1175 per share was declared on November 17, 2011 payable on December 30, 2011 to shareholders of record on December 19, 2011.

On November 28, 2011, the trading day immediately before the first announcement of the revised proposals, the closing sale price of the Common Shares was \$24.21 per share, as reported on the NYSE composite transactions.

On September 30, 2011, there were 1,608 record holders of Special Common Shares, 1,542 record holders of Common Shares, 78 record holders of Series A Common Shares and 14 record holders of Preferred Shares. No public market exists for the Series A Common Shares or Preferred Shares.

After the Share Consolidation, a current holder of Special Common Shares, Common Shares or Series A Common Shares would continue to receive a per share cash dividend that is equal to the per share cash dividend which such shareholder currently receives from TDS, subject to any future changes in the dividend rate by the TDS Board.

There would be no change in the per share dividend rate as a result of the Charter Amendments. The per share dividend rate would remain at a quarterly rate of \$0.1175 (or an annual rate of \$0.47) per share until changed by the TDS Board.

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However, the revised Share Consolidation would result in the issuance of approximately 4.3 million additional Common Shares and approximately 0.6 million additional Series A Common Shares, of which approximately 0.5 million Series A Common Shares would be issued to the TDS Voting Trust, based on shares outstanding at September 30, 2011.

As a result, the total annual cash dividend paid by TDS would increase by approximately \$2.3 million because there will be more Common Shares and Series A Common Shares outstanding. Approximately \$2.0 million of this additional amount would be paid to the holders of Common Shares and

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approximately \$0.3 million of this additional amount would be paid to the holders of Series A Common Shares.

Although the TDS Voting Trust would have an increase in dividends of approximately \$0.3 million per year with respect to its Series A Common Shares, because it currently holds approximately the same number of Special Common Shares, which would decline as a proportion of total equity, the percentage of total dividends paid to the TDS Voting Trust would decrease slightly from approximately 11.9% to 11.8%.

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BACKGROUND AND REASONS FOR CHANGES TO PROPOSALS; RECOMMENDATION OF TDS BOARD

As disclosed in the Proxy Statement, on August 7, 2011, the TDS Board, including the independent directors, approved the Charter Amendments and directed that they be submitted to a vote of the shareholders at a special meeting of shareholders.

TDS disclosed the proposed Charter Amendments by press release and filed a preliminary proxy statement with the SEC on August 8, 2011. TDS proceeded to finalize the preliminary proxy statement and distributed the definitive Proxy Statement dated August 31, 2011.

Following the announcement of the proposals, TDS had discussions with certain shareholders and with Institutional Shareholder Services, a proxy advisory company, which we refer to as "ISS."

On September 23, 2011, Glass Lewis & Co., a proxy advisory company, recommended that all shareholders of TDS vote for all proposals in the Proxy Statement.

On September 26, 2011, ISS issued a split recommendation. The ISS report recommended that holders of Special Common Shares vote for all proposals with respect to which such holders were entitled to vote (Proposals 1, 2 and 4). The ISS report recommended that holders of Common Shares vote against Proposals 1, 2, 3, 4 and 8 and that they vote for Proposals 5, 6 and 7. As a basis for its recommendation that holders of Common Shares vote against Proposals 1, 2, 3 and 4, ISS was critical of the reclassification ratio of one-for-one in the Share Consolidation Amendment, stating that "the long-term average market ratio of approximately 0.92 TDS shares per TDS.S share held would be more representative of the market's economic view. . ."

At the Special Meeting on October 6, 2011, TDS did not have sufficient votes from holders of Common Shares to approve Proposals 1, 2, 3 and 4. As a result, the polls were not opened for voting on Proposal 1, 2, 3 or 4. In addition, because Proposals 5, 6 and 7 are conditioned on approval of Proposals 1, 2, 3 and 4, the polls were also not opened for Proposal 5, 6 or 7. TDS opened the polls only with respect to Proposal 8, the Adjournment Proposal, which was approved by the requisite vote. Accordingly, TDS adjourned the Special Meeting until October 20, 2011 to solicit additional votes from holders of Common Shares for Proposals 1, 2, 3 and 4.

Immediately following the Special Meeting on October 6, 2011, the TDS Board met to discuss the insufficient votes for approval of Proposals 1, 2, 3 and 4. Management and advisors discussed with the TDS Board the insufficient votes and discussed opportunities for obtaining sufficient votes for approval of all proposals at the adjourned meeting on October 20, 2011. In addition, the TDS Board requested management and the advisors to consider possible actions to obtain approval of the proposals.

On October 14, 2011, the TDS Board met again. At that meeting, TDS management and advisors reported their efforts to obtain the votes required to approve the proposals and discussed possible alternative actions and certain evaluation criteria relating to the proposals with the TDS Board.

On October 18, 2011, the independent directors of TDS met with their financial and legal advisors to consider the possible alternative actions discussed at the October 14, 2011 TDS Board meeting.

The TDS Board met again on October 19, 2011. At that meeting, TDS management and advisors continued to discuss possible alternative actions and evaluation criteria with the TDS Board. At that meeting, the TDS Board also authorized the further adjournment of the Special Meeting until November 15, 2011.

As a result, the adjourned Special Meeting held on October 20, 2011 was convened and adjourned until November 15, 2011.

In late October and early November 2011, TDS management evaluated alternative actions and had discussions with representatives of the TDS independent directors and their financial and legal advisors, and with TDS' financial and legal advisors. TDS management evaluated certain alternatives in terms of their likelihood of being approved by all three classes of common stock and of being successful in achieving the intended purposes of the original Share Consolidation Amendment.

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The alternatives were intended to address the fact that the Special Common Shares have generally traded at a historical average discount to the Common Shares of approximately 8% or, stated in terms of a premium, that the Common Shares have generally traded at a historical average premium to the Special Common Shares of approximately 8.7%.

The alternatives included (i) reducing to less than one the amount of Common Shares that would be received for each Special Common Share, (ii) leaving the ratio of Common Shares to Special Common Shares at one-for-one, but also paying a special one-time cash dividend to holders of Common Shares and Series A Common Shares, and (iii) reclassifying each Special Common Share as one Common Share and reclassifying each Common Share and each Series A Common Share as a greater number of Common Shares and Series A Common Shares, respectively.

Based on these discussions, TDS management determined, on a preliminary basis, to propose to the TDS Board the revised Share Consolidation Amendment, which would reclassify each Special Common Share as one Common Share and reclassify each Common Share and each Series A Common Share as a greater number of Common Shares and Series A Common Shares, respectively. As noted above, based on the historical discount of the Special Common Shares to Common Shares, ISS had stated that "the long-term average market ratio of approximately 0.92 TDS shares per TDS.S share held would be more representative of the market's economic view. . .". TDS understands that the ratio of 0.92 was based on the historical average of the discount of the closing prices of Special Common Shares to Common Shares between the 2005 Distribution and shortly prior to the announcement of the original proposals on August 8, 2011.

Accordingly, in order to reflect the historical average prices in the revised Share Consolidation Amendment, TDS management determined, on a preliminary basis, to recommend to the TDS Board that the reclassification ratio be revised so that each Special Common Share would be reclassified as one Common Share, each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares. This is mathematically similar to reclassifying each Special Common Share as 0.92 Common Shares and leaving the holders of Common Shares and Series A Common Shares unchanged.

TDS management determined, on a preliminary basis, not to recommend the alternative of reducing to less than one the amount of Common Shares that would be received for each Special Common Share because, among other things, this would reduce the amount of the cash dividends that holders of Special Common Shares would receive. Also, TDS management determined, on a preliminary basis, not to recommend the alternative of a special one-time cash dividend to holders of Common Shares and Series A Common Shares because, among other things, it would require the use of a significant amount of cash.

Reclassifying Special Common Shares on a one-for-one basis would permit the holders of Special Common Shares to continue to receive the same aggregate quarterly dividend that they currently receive based on the current per share dividend rate, subject to declaration by the TDS Board, thereby mitigating part of the impact of the reclassification on the holders of Special Common Shares. In addition, reclassifying each Common Share as 1.087 Common Shares and each Series A Common Share as 1.087 Series A Common Shares would recognize the fact that the Common Shares have generally traded at a historical average premium to the Special Common Shares of approximately 8.7%.

On October 26, October 27 and November 3, 2011, the independent directors of TDS met with their financial and legal advisors to consider the possible alternative actions and to review discussions with TDS management and TDS' financial and legal advisors.

The TDS Board met again on November 4, 2011. At that meeting, the TDS Board heard a presentation from TDS management, and considered and discussed TDS management's preliminary recommendation to change the Share Consolidation Amendment. TDS' legal counsel and Citi participated in the meeting, and Bass, Berry & Sims and Credit Suisse participated in the meeting as legal and financial advisors, respectively, to the independent directors. A representative of the TDS Voting Trust indicated that the TDS Voting Trust was interested in management's recommended approach being considered if it were something that the TDS Board decided to pursue and that the TDS Voting Trust would not approve any

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approach that was not supported by the independent directors of the TDS Board. The representative of the TDS Voting Trust also noted that the existing Schedules 13D of the TDS Voting Trust state that the trustees of the TDS Voting Trust intend to maintain the ability to keep or dispose of the voting control of TDS and that this continues to be the position of the trustees. Following discussion, the TDS Board requested management to proceed to finalize the terms of the proposed changes to the Charter Amendments and related transactions as recommended and to present with respect to these matters to the TDS Board for discussion at a later meeting of the TDS Board.

At the TDS Board meeting on November 4, 2011, the TDS Board also authorized the further adjournment of the Special Meeting until further notice. Accordingly, on November 15, 2011, the adjourned Special Meeting was convened and adjourned until further notice.

On November 28, 2011, the TDS Board met to consider the possible changes to the Share Consolidation Amendment presented on a preliminary basis by TDS management at the November 4, 2011 meeting and certain clarifying changes to the Vote Amendment that would be appropriate if the changes to the Share Consolidation Amendment were adopted. Legal counsel to TDS, Citi, Bass, Berry & Sims and Credit Suisse participated in the meeting. A representative of the TDS Voting Trust advised the TDS Board that the trustees of the TDS Voting Trust were prepared to support the revised Share Consolidation Amendment and intended to vote the shares held by the TDS Voting Trust in favor of the revised Share Consolidation Amendment on behalf of the TDS Voting Trust, if the revised Share Consolidation Amendment was supported by the independent directors and approved by the full TDS Board.

The TDS Board received and considered the revised opinion of Citi to the effect that, as of the date of the revised opinion, and based upon and subject to the considerations and limitations set forth therein, Citi's work described below under "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" and other factors Citi deemed relevant, the reclassification ratio of one new Common Share for each outstanding Special Common Share and 1.087 new Common Shares for each outstanding Common Share was fair, from a financial point of view, to both the holders of Common Shares and the holders of Special Common Shares (solely in their capacity as holders of Common Shares or holders of Special Common Shares, as the case may be, and disregarding any interest any holder of Common Shares or Special Common Shares, as the case may be, may have in any other equity securities of TDS). The full text of the revised written opinion of Citi, which sets forth the assumptions made, general procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is included in this Supplement as Exhibit B. We urge you to read the revised opinion in its entirety. See "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" below.

Citi's advisory services and opinion were provided for the information and assistance of the TDS Board in connection with its consideration of the revised Share Consolidation Amendment. Neither Citi's opinion nor the related analyses constituted a recommendation of the proposed Share Consolidation or the proposed revised reclassification ratios to the TDS Board. Citi's opinion was not intended to be and does not constitute a recommendation, and Citi does not make any recommendation, as to how any holder of TDS shares should vote with respect to the revised Share Consolidation Amendment or any of the other proposals.

The TDS Board also considered certain clarifying changes to the Vote Amendment, and certain changes to the Incentive Plan Adoption proposal and the Adjournment Proposal, and reviewed the other prior proposals which were unchanged.

After a discussion of the matter, on November 28, 2011, the TDS Board, including the independent directors:

determined that the revised proposals were in the best interests of TDS and in the best interests of each class of shareholders of TDS, including the holders of each of the Common Shares and Special Common Shares;

adopted and approved and declared the advisability of the revised proposals; and

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directed that the revised proposals be submitted to a vote of the shareholders at the Adjourned Special Meeting and recommended that shareholders vote to approve the revised proposals.

Reasons for Changes to Share Consolidation Amendment. The TDS Board believes that the changes to the Share Consolidation Amendment offer potential advantages which outweigh the possible disadvantages or other consequences, as described below. The TDS Board did not find it practicable to, and did not, quantify or otherwise assign relative weights to the advantages or disadvantages of the changes, although the following factors were considered important in its decision:

Obtain Approval of the Charter Amendments. As noted above, TDS did not have sufficient votes from holders of Common Shares for the approval of Proposals 1, 2, 3 and 4. TDS believes that many holders of Common Shares did not support these proposals because the Common Shares had historically traded at a premium to the market prices of the Special Common Shares, and that the one-for-one reclassification ratio did not recognize this historical average market premium. The TDS Board approved the changes to the Share Consolidation Amendment in order to recognize this historical average market premium, and to attempt to obtain approval of Proposals 1, 2, 3 and 4 by the holders of Common Shares. The TDS Board believes that the approval of Proposals 1, 2, 3 and 4 would be highly desirable because approval and effectiveness of the Charter Amendments would provide the many benefits described in the Proxy Statement.

More Consistent with Relative Market Prices. The Common Shares have historically traded at a premium to the Special Common Shares and have historically had greater market liquidity than the Special Common Shares. The reclassification ratio of one Common Share for each Special Common Share, 1.087 Common Shares for each Common Share and 1.087 Series A Common Shares for each Series A Common Share is intended to provide the holders of Common Shares and Series A Common Shares (which are convertible into Common Shares) an additional economic equity interest in TDS in order to recognize this market premium. Nevertheless, the ratio of 1.087 does not fully reflect the current ratio of the market prices of Common Shares to Special Common Shares, which was recently as high as approximately 1.18.

Less Dilution of Voting Power of Common Shares in Matters other than the Election of Directors. If the revised Charter Amendments are effected, the vote per share in matters other than the election of directors of the current holders of Common Shares will decline less than as originally proposed. The holders of the Common Shares are currently entitled to cast approximately 43.3% of all the votes entitled to be cast in matters other than the election of directors, and holders of Special Common Shares generally are not entitled to vote in matters other than the election of directors. As a result of the reclassification of each Special Common Share as one Common Share and the reclassification of each Common Share as 1.087 Common Shares as a result of the Charter Amendments, the current holders of Common Shares would be entitled to cast approximately 23.2% (compared to 22.3% in the Share Consolidation Amendment as originally proposed) of the votes, and the current holders of Special Common Shares would be entitled to cast the remaining 20.1% (compared to 21.0% in the Share Consolidation Amendment as originally proposed) of the votes, in matters other than the election of directors, based on shares outstanding as of September 30, 2011.

No Decrease in Dividends Paid to Holders of Special Common Shares. Reclassifying Special Common Shares on a one-for-one basis would permit the holders of Special Common Shares to continue to receive the same aggregate quarterly cash dividend that they currently receive based on the current per share dividend rate, subject to declaration by the TDS Board. The TDS Board considers this to be preferable to reclassifying each Special Common Share as 0.92 Common Shares, because the latter would result in a decrease in the aggregate quarterly cash dividends payable to the current holders of Special Common Shares.

Increase in Total Dividends Paid to Shareholders. There would be no change in the per share dividend rate as a result of the Charter Amendments. The per share dividend rate would remain at a quarterly rate of \$0.1175 (or an annual rate of \$0.47) per share until changed by the TDS Board. However, the revised Share Consolidation would result in the issuance of approximately 4.3 million additional Common Shares and approximately 0.6 million additional Series A Common Shares, of

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which approximately 0.5 million Series A Common Shares would be issued to the TDS Voting Trust, based on shares outstanding at September 30, 2011. As a result, the total annual cash dividend paid by TDS would increase by approximately \$2.3 million because there would be more Common Shares and Series A Common Shares outstanding.

Citi Fairness Opinion. Citi provided an opinion to the effect that, as of November 28, 2011, and based upon and subject to the considerations and limitations set forth therein, Citi's work described below under "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" and other factors Citi deemed relevant, the reclassification ratio of one new Common Share for each outstanding Special Common Share and 1.087 new Common Shares for each outstanding Common Share was fair, from a financial point of view, to both the holders of Common Shares and the holders of Special Common Shares (solely in their capacity as holders of Common Shares or holders of Special Common Shares, as the case may be, and disregarding any interest any holder of Common Shares or Special Common Shares, as the case may be, may have in any other equity securities of TDS). See "Other Information Regarding Revised Charter Amendments Opinion of Financial Advisor" below.

Other Share Consolidation Examples. Reclassifications effected by certain other companies that have consolidated classes of common stock have included reclassification ratios that were not one-for-one. As a result, such other transactions serve as precedent for the revised reclassification ratio in the Share Consolidation Amendment.

Support of TDS Voting Trust. TDS recognized that the revised Share Consolidation Amendment could not be approved without the support of the trustees of the TDS Voting Trust, which controls approximately 95% of the Series A Common Shares and a majority of the voting power of TDS. The trustees of the TDS Voting Trust advised TDS that they would support the revised Share Consolidation Amendment if it was supported by the independent directors.

Not a Taxable Transaction. The Charter Amendments, including the revised Share Consolidation Amendment, are not expected to result in taxable income to TDS or to the holders of any class of TDS common stock, except as discussed below with respect to cash in lieu of fractional shares.

NYSE Criteria. The NYSE has confirmed that the revised Charter Amendments will not violate Section 313 of the NYSE Listed Company Manual, which relates to voting rights of listed classes of stock.

In addition, an important consideration of the TDS Board in approving the revised Share Consolidation Amendment was that the revised Share Consolidation Amendment would be subject to the approval of the holders of a majority of the outstanding Common Shares and Special Common Shares other than Common Shares or Special Common Shares held by Affiliated Persons. The holders of each of the Common Shares and Special Common Shares other than Affiliated Persons will each have a separate class vote on the revised Share Consolidation Amendment and, therefore, will have an opportunity to decide as a class whether such amendment should be implemented.

Other Considerations of Changes to Share Consolidation Amendment. While the TDS Board has determined that implementation of the revised Share Consolidation Amendment is in the best interests of TDS and all of its shareholders, the TDS Board recognizes that the revised Share Consolidation Amendment may have certain potential disadvantages or other consequences, including the following:

Change in Economic Equity Interests. The revised Share Consolidation Amendment would have an impact on the economic equity interests of shareholders. Currently, each Common Share and Special Common Share is substantially equivalent with respect to dividends, liquidation rights and merger consideration, and holders of Series A Common Shares have the right to convert Series A Common Shares into either Common Shares or Special Common Shares on a one-for-one basis. The revised Share Consolidation Amendment would reduce the relative economic equity interests of holders of Special Common Shares, including with regard to dividends, liquidation rights and merger consideration, in relation to the economic equity interests of holders of Common Shares and Series A Common Shares. As of September 30, 2011, the holders of Special Common Shares held

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45.4% and holders of Common Shares and Series A Common Shares held an aggregate of 54.6% of the total outstanding shares of common stock. Based on shares outstanding as of September 30, 2011, if the revised Share Consolidation Amendment becomes effective, the current holders of Special Common Shares would hold approximately 43.3% and current holders of Common Shares and Series A Common Shares would hold an aggregate of 56.7% of the total outstanding shares of common stock. The percentage of total equity held by current holders of Special Common Shares would decline by 2.1%, the percentage of total equity held by current holders of Common Shares would increase by 1.8% and the percentage of total equity held by current holders of Series A Common Shares would increase by 0.3%. This will result in the holders of Special Common Shares having a lower equity percentage in TDS with respect to dividends, merger consideration and liquidation going forward. However, the TDS Board believes that this differential treatment is appropriate in order to achieve approval and effectiveness of the Charter Amendments, which TDS believes will result in substantial benefits as described in the Proxy Statement, and to reflect the fact that the Common Shares have historically traded at a premium to the market prices of the Special Common Shares.

Limitations of Fairness Opinion. TDS has received a revised opinion from Citi solely with respect to the fairness of the revised reclassification ratio of one new Common Share for each outstanding Special Common Share and 1.087 Common Shares for each outstanding Common Share, from a financial point of view, to both the holders of Common Shares and holders of Special Common Shares (solely in their capacity as holders of the Common Shares or holders of the Special Common Shares, as the case may be, and disregarding any interest any holder of Common Shares or Special Common Shares, as the case may be, may have in any other equity securities of TDS) as of the date of the opinion. The opinion of Citi does not address all aspects of the proposed Charter Amendments and is subject to material qualifications, limitations, assumptions and other factors. In addition, Citi's advisory services and opinion were provided for the information and assistance of the TDS Board in connection with its consideration of the revised Share Consolidation Amendment. Neither Citi's opinion nor the related analyses constituted a recommendation of the proposed Share Consolidation Amendment or the proposed reclassification ratio to the TDS Board. Citi's opinion was not intended to be and does not constitute a recommendation, and Citi does not make any recommendation, as to how any holder of TDS shares should vote with respect to the revised Share Consolidation Amendment or any of the other proposals. Shareholders should carefully consider and evaluate the opinion of Citi in view of these assumptions, limitations, qualifications and other factors. See Exhibit B for a copy of the full text of such revised opinion.

Reclassification Ratio Compared to Historical Trading Prices. Each Common Share would be reclassified as 1.087 Common Shares and each Series A Common Share would be reclassified as 1.087 Series A Common Shares, while each Special Common Share would be reclassified as one Common Share. The ratio of 1.087 is not equivalent to the recent ratios of the market prices of the Common Shares to the market prices of the Special Common Shares, which have been as high as 1.18. Notwithstanding the differences in the recent market prices, the TDS Board determined that each Common Share should be reclassified as 1.087 Common Shares and that each Series A Common Share should be reclassified as 1.087 Series A Common Shares considering, among other things, the failure to obtain approval of the prior proposal from the holders of Common Shares, the fact that the economic rights of Common Shares are substantially the same as the economic rights of the Special Common Shares, including with regard to dividends, liquidation rights and merger consideration, the fairness opinion from TDS' financial advisor as to the fairness of the reclassification ratio, from a financial point of view, precedent transactions, and the other considerations discussed above.

Dilution in Voting Power of Special Common Shares in the Election of Directors. Currently, holders of Special Common Shares have approximately 48.4% of the aggregate voting power in the election of four of the twelve TDS directors. After the Share Consolidation, in the aggregate, the current holders of Special Common Shares, as a result of their ownership of Common Shares that were formerly Special Common Shares, would have approximately 46.3% of the voting power in the election of these four directors. This decrease in aggregate voting power will occur because each

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Common Share will be reclassified as 1.087 Common Shares but each Special Common Share will be reclassified as only one Common Share in the revised Share Consolidation. Thus the issuance of 0.087 additional Common Shares for each Common Share to the current holders of Common Shares would result in those shareholders receiving approximately 2.1% greater voting power, and the current holders of Special Common Shares receiving approximately 2.1% less voting power, in the election of four directors. One consequence of the foregoing is that, because the TDS Voting Trust currently holds approximately 6.1 million Special Common Shares but no Common Shares, its voting power in the election of those four directors would decline by approximately 0.3%.

Additional Liquidity to TDS Voting Trust. As noted above, the total percentage voting power of the Series A Common Shares will initially be fixed at the voting percentage of the Series A Common Shares immediately prior to the Share Consolidation, which was 56.7% as of September 30, 2011. As a result, although the issuance of the additional 0.087 Series A Common Shares for each Series A Common Share in the Share Consolidation will increase the number of outstanding Series A Common Shares, this will not increase the total percentage voting power of the Series A Common Shares, including Series A Common Shares held by the TDS Voting Trust. However, the TDS Voting Trust will receive approximately 0.5 million additional Series A Common Shares in the Share Consolidation, which would provide it with additional liquidity because those shares could be converted into Common Shares and sold without significantly reducing the voting power of the TDS Voting Trust. Although the TDS Voting Trust would have an increase in the number of Series A Common Shares that it holds, because it currently holds approximately the same number of Special Common Shares, which after the Effective Time would decline as a proportion of total equity, the percentage of shares of common stock held by the TDS Voting Trust would decrease slightly from approximately 11.9% to 11.8% of the common equity.

Increased Cash Required for Higher Dividend Payments. As discussed above, the total annual cash dividend paid by TDS would increase by approximately \$2.3 million because there will be more Common Shares and Series A Common Shares outstanding as a result of the Share Consolidation. This will require the use of additional cash for dividend rather than other purposes. However, the increased annual cash dividend payment is not considered to be a significant cash outlay by TDS management and is not expected to have any credit rating implications.

Increase in Outstanding Shares. The revised Share Consolidation Amendment would result in the issuance of approximately 4.3 million additional Common Shares and approximately 0.6 million additional Series A Common Shares, or approximately 4.9 million additional shares in total.

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REVISED SHARE CONSOLIDATION AMENDMENT

**PROPOSAL 1 SHARE CONSOLIDATION AMENDMENT STATUTORY VOTE
AND
PROPOSAL 2 SHARE CONSOLIDATION AMENDMENT RATIFICATION VOTE**

Proposals 1 and 2 each relate to the Share Consolidation Amendment. Proposal 1 represents the statutory votes required by Delaware law for the Share Consolidation Amendment. Also, although not required to do so by law, regulation or otherwise, the TDS Board voluntarily determined to make the Share Consolidation Amendment, and the TDS Board's decision to approve such amendment, subject to a non-waivable condition requiring approval and ratification by (i) a majority of the outstanding Common Shares (excluding Common Shares held by Affiliated Persons), voting separately as a class, and (ii) a majority of the outstanding Special Common Shares (excluding Special Common Shares held by Affiliated Persons), voting separately as a class. This is being submitted for separate votes in Proposal 2.

The Share Consolidation Amendment is a proposed amendment to the TDS Charter to reclassify each Special Common Share as one Common Share, each Common Share as 1.087 Common Shares and each Series A Common Share as 1.087 Series A Common Shares. This amendment would also add 165 million authorized Common Shares to the 100 million already authorized Common Shares, for a consolidated total of 265 million authorized Common Shares. The Share Consolidation Amendment will also eliminate from the TDS Charter provisions relating to the Special Common Shares, because they would be reclassified and consolidated with Common Shares.

A copy of the TDS Charter, marked to show the changes that would be made by the Charter Amendments, including the Share Consolidation Amendment, is attached hereto as Exhibit A.

Subject to the approval of the Share Consolidation Amendment by shareholders, the approval of the Vote Amendment by shareholders and certain conditions discussed below, the TDS Board currently expects to approve the filing of a Restated Certificate of Incorporation that would effect the Charter Amendments, including the revised Share Consolidation Amendment, shortly after the Adjourned Special Meeting. Nevertheless, the TDS Board could delay filing of the Restated Certificate of Incorporation if it determines this to be appropriate for any reason, such as the pendency of litigation or other reasons. In such case, the TDS Board will have a period of up to one year from the date of shareholder approval to effect the transactions. Because the Share Consolidation Amendment is subject to various conditions and because the TDS Board would not be required to effect the Share Consolidation Amendment even if all conditions are satisfied, there can be no assurance that it will take place.

The effectiveness of the Share Consolidation is subject to the following conditions: (i) shareholder approval of the Share Consolidation Amendment, (ii) shareholder approval of the Vote Amendment, (iii) NYSE approval of the listing of the additional Common Shares that will be outstanding as a result of the Share Consolidation and no change in the NYSE interpretation that the Common Shares will qualify for continued listing after the Charter Amendments are effective, (iv) receipt of all required approvals and consents, if any, (v) no legal prohibition, and (vi) filing and effectiveness of the Restated Certificate of Incorporation with the Secretary of State of the State of Delaware.

As permitted by Delaware law, neither the Share Consolidation Amendment nor the Vote Amendment will be effected if the other is not approved or effected.

Approximately 46.9 million outstanding Special Common Shares would be reclassified as 46.9 million Common Shares in the Share Consolidation based on shares outstanding at September 30, 2011. Based on approximately 50.0 million Common Shares and 6.5 million Series A Common Share outstanding at September 30, 2011, an additional 4.3 million Common Shares and 0.6 million Series A Common Shares would be issued in the Share Consolidation. As a result, there would be a total of approximately 101.2 million Common Shares and 7.1 million Series A Common Shares outstanding immediately after the Share Consolidation.

In addition, approximately 16.6 million Special Common Shares held as treasury shares by TDS and held by a TDS subsidiary as of September 30, 2011 would be reclassified as 16.6 million Common Shares in the Share Consolidation. Based on approximately 7.1 million Common Shares held by TDS in

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treasury and by a subsidiary of TDS at September 30, 2011, an additional 0.6 million Common Shares would be issued to TDS and the subsidiary in the Share Consolidation. As a result, there would be a total of approximately 24.3 million Common Shares held by TDS in treasury and by the subsidiary immediately after the Share Consolidation.

In addition, as noted above, 165 million authorized Common Shares would be added to the 100 million already authorized Common Shares, for a total of 265 million authorized Common Shares after the Share Consolidation. Of such amount, approximately 19.0 million Common Shares would be reserved for issuance following the Share Consolidation (not including shares to be reserved pursuant to Proposal 6).

As a result, based on shares outstanding at September 30, 2011, immediately following the Share Consolidation, TDS would have 265 million authorized Common Shares, of which approximately 101.2 million would be outstanding and approximately 19.0 million would be reserved for issuance, for a total of approximately 144.8 million Common Shares that would be available for issuance or for transfer from treasury shares, including approximately 24.3 million shares held in treasury by TDS and by a TDS subsidiary (not including shares to be reserved pursuant to Proposal 6).

The following table shows the number of shares of common stock of TDS that are outstanding as of September 30, 2011, the effect of the Share Consolidation, the number of shares that would be reserved for issuance for specified purposes and the number of authorized shares that would be available for other purposes.

	<i>Amount Issued as of September 30, 2011</i>	<i>To be Issued or Reclassified in Share Consolidation</i>	<i>Reserved for Issuance for various purposes after Share Consolidation (1)</i>	<i>Unreserved and Available for Issuance for Other Purposes (2)</i>	<i>Total Authorized</i>
Outstanding:					
Series A Common Shares	6,538,176	568,821	80,699	17,812,304	25,000,000
Common Shares	49,962,745	51,232,804	18,957,723	144,846,728	265,000,000
Special Common Shares	46,886,045	(46,886,045)			
Subtotal	103,386,966	4,915,580	19,038,422	162,659,032	290,000,000
In Treasury:					
Common Shares held in treasury and by a subsidiary	7,129,800	17,176,672		(24,306,472)	
Special Common Shares held in treasury and by a subsidiary	16,556,379	(16,556,379)			
Total Issued and Reserved	127,073,145	5,535,873	19,038,422	138,352,560	290,000,000

(1) Includes reserves for issuance of shares (i) upon the possible conversion of Series A Common Shares, (ii) for compensation plans and (iii) for dividend reinvestment plans. Does not include shares proposed to be reserved pursuant to Proposal 6. See Item 11 under "Summary Comparison of Current Equity Capitalization with Proposed Capitalization, as Revised" above for details of these amounts.

(2) This column includes the Common Shares that would be available for issuance for corporate purposes. Based on shares outstanding on September 30, 2011, approximately 144.8 million Common Shares would be available for issuance or delivery for corporate purposes, including approximately 24.3 million shares held in treasury or by a TDS subsidiary. This amount would be reduced by the amount of

shares reserved under Proposal 6.

The current quarterly dividend rate is \$0.1175 per share. Subject to declaration or change in the per share dividend rate by the TDS Board, holders of common stock would continue to receive a quarterly cash dividend of \$0.1175 per share, whether they own Series A Common Shares or Common Shares after the Share Consolidation. See "Dividend Policy" in the Proxy Statement for the TDS Board's policy with respect to dividends and certain risks related to the payment of dividends.

Because this is a summary of the revised Share Consolidation Amendment, it may not contain all of the information that is important to you. You should read carefully the proposed amendment of the TDS Charter attached as Exhibit A to this Supplement before you decide how to vote. In order to facilitate

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review by shareholders, Exhibit A is marked to reflect all changes to be made as a result of the Charter Amendments, including the revised Share Consolidation Amendment. Exhibit A also highlights revisions to the Charter Amendments made since the date of the Proxy Statement.

A vote in favor of Proposals 1 and 2 will also be deemed to constitute approval of the filing of a Restated Certificate of Incorporation enacting the amendment set forth in these proposals, which Restated Certificate of Incorporation will also include the other amendments set forth in Proposals 3, 4 and 5.

The TDS Board has unanimously approved the revised Share Consolidation Amendment, believes that the adoption of the revised Share Consolidation Amendment is in the best interests of TDS and holders of each class of its outstanding shares of capital stock and unanimously recommends that you vote "FOR" Proposal 1 Share Consolidation Amendment Statutory Vote, and Proposal 2 Share Consolidation Amendment Ratification Vote, and the related transactions.

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REVISED VOTE AMENDMENT

**PROPOSAL 3 VOTE AMENDMENT STATUTORY VOTE
AND
PROPOSAL 4 VOTE AMENDMENT RATIFICATION VOTE**

As described in the Proxy Statement, the Vote Amendment would fix the total percentage voting power of the Series A Common Shares, on the one hand, and Common Shares, on the other hand, in matters other than the election of directors at the aggregate percentage of the voting power of the Series A Common Shares and Common Shares, respectively, immediately prior to the effective time of the reclassification, subject to adjustment due to changes in the number of outstanding Series A Common Shares.

No substantive changes are being made to the Vote Amendment as originally described in the Proxy Statement. Only certain clarifying changes are being made to the provisions of the TDS Charter related to the Vote Amendment. A copy of the TDS Charter, marked to show the changes that would be made by the revised Charter Amendments, including the clarifying changes to the Vote Amendment, is attached hereto as Exhibit A. Exhibit A highlights revisions to the Charter Amendments made since the date of the Proxy Statement. The clarifying changes to the Vote Amendment are included in Section B.9 of Article IV of the TDS Charter in Exhibit A.

In addition to the clarifying changes to the Vote Amendment provisions, the changes to the Share Consolidation Amendment have an effect on the disclosures set forth in the Proxy Statement relating to the effects of the Vote Amendment. Accordingly, the following updates certain disclosures in the Proxy Statement relating to the Vote Amendment.

Due to the increased number of Common Shares and Series A Common Shares resulting from the Share Consolidation, there would be, absent the Vote Amendment, approximately 10 million more votes in matters other than the election of directors, of which approximately 5.7 million would be received by the holders of Series A Common Shares. However, due to the Vote Amendment, the voting power of the Series A Common Shares, including Series A Common Shares held by the TDS Voting Trust, would not change as a percent of the total voting power in matters other than the election of directors. The voting power of the Series A Common Shares held by the TDS Voting Trust would continue to be 53.6% based on shares outstanding on September 30, 2011.

However, because the TDS Voting Trust holds approximately 6.1 million Special Common Shares, its voting power in matters other than the election of directors would increase after such shares are reclassified as Common Shares. The Proxy Statement stated that the voting power of the TDS Voting Trust would increase by approximately 2.7% (based on shares outstanding as of June 30, 2011) due to the fact that the TDS Voting Trust owns Special Common Shares, which will be reclassified as Common Shares in the Share Consolidation. As revised, and based on shares outstanding on September 30, 2011, this percentage would be 2.6%. Therefore, based on shares outstanding as of September 30, 2011, the voting power of the TDS Voting Trust would increase from approximately 53.6% to approximately 56.2% (53.6% + 2.6%).

Immediately after the Share Consolidation, the holders of Common Shares, who currently have one vote per share, and the holders of Special Common Shares, who currently do not have any vote per share, would each have approximately 0.537 votes per share in matters other than the election of directors based on shares outstanding on September 30, 2011.

The following updates the hypothetical examples included in the Proxy Statement illustrating the effect of the Vote Amendment with respect to voting in matters other than the election of directors, assuming that the revised Charter Amendments became effective September 30, 2011:

1. Assumed net issuance of 10 million Common Shares for benefit plans and other purposes, net of any share repurchases, and no other net change: The Series A Common Shares would continue to have 56.7% and the Common Shares would continue to have 43.3% of the voting power in matters other than the election of directors. The Series A Common Shares would continue to have ten votes per share and the Common Shares would have approximately 0.488 votes per share. In this case, the vote per share of the Common Shares would be reduced to

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reflect the greater number of outstanding Common Shares so that the holders of Common Shares would continue to have 43.3% of the aggregate voting power.

2.

Assumed issuance of 100,000 Series A Common Shares pursuant to the dividend reinvestment plan and no other net change: The Series A Common Shares would continue to have 56.7% and the Common Shares would continue to have 43.3% of the voting power in matters other than the election of directors. The Series A Common Shares would continue to have ten votes per share and the Common Shares would have approximately 0.544 votes per share. In this case, the issuance of 100,000 Series A Common Shares would not result in any increase in the percentage of the aggregate voting power of the Series A Common Shares due to the fact that this percentage would be capped at 56.7% based on shares outstanding at September 30, 2011. As a result, the votes per share of the Common Shares would be increased to approxim