

SEREDA PETER L  
Form 5  
January 18, 2006

**FORM 5**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person \*  
SEREDA PETER L

2. Issuer Name and Ticker or Trading Symbol  
TELEPHONE & DATA SYSTEMS INC /DE/ [TDS]

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2005

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP & Treasurer

30 N. LASALLE ST., STE. 4000  
(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting  
(check applicable line)

CHICAGO, IL 60602

Form Filed by One Reporting Person  
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Amount Price			
Common Shares	12/31/2005	Â	J <sup>(1)</sup>	1.88 A \$ <sup>(1)</sup>	241.43	I	By 401K plan
Special Common Shares <sup>(6)</sup>	12/31/2005	Â	J <sup>(1)(6)</sup>	242.42 A \$ <sup>(1)</sup>	242.42	I	By 401K Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (Right to buy) <u>(3)</u> <u>(6)</u>	\$ 102.79	05/13/2005	Â	<u>J(3)(6)</u>	5,700	Â	12/15/2000	04/28/2010	Tandem Common and Special Common Shares <u>(3)</u>	5,700
Option (Right to buy) <u>(3)</u> <u>(6)</u>	\$ 117.51	05/13/2005	Â	<u>J(3)(6)</u>	9,800	Â	Â <u>(2)</u>	09/16/2010	Tandem Common and Special Common Shares <u>(3)</u>	9,800
Option (Right to buy) <u>(3)</u> <u>(6)</u>	\$ 99.44	05/13/2005	Â	<u>J(3)(6)</u>	5,305	Â	12/15/2001	04/30/2011	Tandem Common and Special Common Shares <u>(3)</u>	5,305
Option (Right to buy) <u>(3)</u> <u>(6)</u>	\$ 66	05/13/2005	Â	<u>J(3)(6)</u>	10,380	Â	12/15/2004	05/08/2014	Tandem Common and Special Common Shares <u>(3)</u>	10,380
Option (Right to Buy) <u>(3)</u> <u>(6)</u>	\$ 77.36	05/13/2005	Â	<u>J(3)(6)</u>	13,762	Â	12/15/2005	04/20/2005	Tandem Common and Special Common Shares <u>(3)</u>	13,762
Restricted Stock Units <u>(5)</u> <u>(6)</u>	Â	05/13/2005	Â	<u>J(5)(6)</u>	2,261	Â	12/15/2007	Â <u>(4)</u>	Tandem Common and Special Common	2,261

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SEREDA PETER L 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	Â	Â	Â VP & Treasurer	Â

## Signatures

Julie D. Mathews, by power  
of atty 01/18/2006

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Voluntary reporting of shares acquired in 2005 in the TDS 401K. The information is based on a plan statement dated 12/31/05. The number of shares fluctuates and is attributable to the price of the shares on 12/31/05.
- (2) Granted under the 1998 Long term incentive plan. The option becomes exercisable with respect to 2450 common shares on 12/15/01, 12/15/02, 12/15/03 and with respect to an additional 2450 common shares on 12/15/04 for a total of 9800 common shares.  
Common shares were granted without consideration under the long-term incentive plan. As a result of the special common dividend, all options to purchase common shares as of May 13 under the long term incentive plan, whether vested or unvested, were adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number of common shares originally subject to the option plus an equal number of special common shares.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.  
Restricted stock units for common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all restricted stock units as of May 13 that are to be settled in common shares, whether vested or unvested, were adjusted to provide that such award will be settled in the number of common shares originally subject to the award plus an equal number of special common shares.
- (5) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed to all shareholders making this acquisition exempt from Section 16a-9(a).
- (6) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed to all shareholders making this acquisition exempt from Section 16a-9(a).

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