

JACK D MICHAEL  
 Form 5  
 February 07, 2006

**FORM 5**

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

OMB APPROVAL

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 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 \*  
 JACK D MICHAEL

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)  
 Sr. VP - Corp. Controller

8401 GREENWAY BVD.  
 (Street)

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

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

MIDDLETON, WI 53562

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 Indirect Beneficial Ownership (Instr. 4)
Special Common Shares	05/13/2005	Â	J <sup>(5)</sup>	177.1028 A \$ <sup>(5)</sup>	178.3711	D	Â
Common Shares	12/31/2005	Â	J <sup>(1)</sup>	1.5856 A \$ <sup>(1)</sup>	178.3	D	Â
Special Common Shares	12/31/2005	Â	J <sup>(1)</sup>	1.2683 A \$ <sup>(1)</sup>	178.3711	D	Â

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Common Shares	12/31/2005	Â	J <sup>(2)</sup>	1.1	A	\$ <sup>(2)</sup>	140.65	I	By 401K plan
Special Common Shares <sup>(5)</sup>	12/31/2005	Â	J <sup>(2)(5)</sup>	141.22	A	\$ <sup>(2)</sup>	141.22	I	By 401K plan

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

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(9-02)

**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 Underlying Security (Instr. 3 and 4)
					(A) (D)	Date Exercisable Expiration Date	Title
Option (Right to buy) <sup>(5) (6)</sup>	\$ 127	05/13/2005	Â	J <sup>(5)(6)</sup>	3,000 Â	12/15/2000 08/07/2008	Tandem Common and Special Common Shares
Option (Right to buy) <sup>(5) (6)</sup>	\$ 117.51	05/13/2005	Â	J <sup>(5)(6)</sup>	7,040 Â	Â <sup>(3)</sup> 09/16/2010	Tandem Common and Special Common Shares
Option (Right to buy) <sup>(5) (6)</sup>	\$ 99.44	05/13/2005	Â	J <sup>(5)(6)</sup>	4,240 Â	12/15/2001 04/30/2011	Tandem Common and Special Common Shares
Option (Right to buy) <sup>(5) (6)</sup>	\$ 66	05/13/2005	Â	J <sup>(5)(6)</sup>	7,900 Â	12/15/2004 05/08/2014	Tandem Common and Special Common Shares
	\$ 77.36	05/13/2005	Â	J <sup>(5)(6)</sup>	12,444 Â	12/15/2005 04/20/2015	



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- (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).

Common shares were granted without consideration under the long term incentive plan. As a result of the special common stock 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 common shares originally subject to the option plus an equal number of special common.

- (7) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.

- (8) 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.

- (9) Reporting person deferred 2000 bonus pursuant to the TDS Long Term Incentive Plan. The deferred bonus was 410.869 shares. The employer match was 102.718 shares which vests ratably at a rate of 33%, 33% and 34% on 12/31/01, 12/31/02 and on 12/31/03.

Reporting person acquired 18.464 shares as of the May 13 stock dividend. Subsequently, reporting person acquired an additional 4 shares.

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