

HERBERT C THEODORE  
 Form 5  
 January 28, 2009

**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 \*  
 HERBERT C THEODORE

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)  
 12/31/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP Human Resources

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

(City) (State) (Zip)

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

**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)	(A) or (D)	Price	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)
Common Shares	Â	Â	Â	Â	Â	Â	41,364	D	Â
Special Common Shares	Â	Â	Â	Â	Â	Â	29,543	D	Â

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 Securities (Instr. 3 and 4)	Amount or Number of Shares
					(A)	(D)	Date Exercisable	Expiration Date		
Option (Right to buy)	\$ 66.75	Â	Â	Â	Â	Â	12/15/1999	04/30/2009	Tandem Common and Special Common Shares	5,190
Option (Right to buy)	\$ 105.13	Â	Â	Â	Â	Â	12/15/2000	05/05/2010	Tandem Common and Special Common shares	5,500
Option (Right to buy)	\$ 117.51	Â	Â	Â	Â	Â	Â <sup>(1)</sup>	09/16/2010	Tandem Common and Special Common shares	10,200
Option (Right to buy)	\$ 99.44	Â	Â	Â	Â	Â	12/15/2001	04/30/2011	Tandem Common and Special Common shares	4,810
Option (Right to buy)	\$ 59	Â	Â	Â	Â	Â	12/15/2002	07/05/2012	Tandem Common and Special Common Shares	8,855
Option (Right to buy)	\$ 52.92	Â	Â	Â	Â	Â	12/15/2003	07/03/2013	Tandem Common	9,085

buy)										and Special Common Shares	
Option (Right to buy)	\$ 66	Â	Â	Â	Â	Â	12/15/2004	05/08/2014		Tandem Common and Special Common shares	8,545
Option (Right to Buy)	\$ 77.36	Â	Â	Â	Â	Â	12/15/2005	04/20/2015		Tandem Common and Special Common shares	13,435
Option (Right to buy)	\$ 38	Â	Â	Â	Â	Â	12/15/2006	06/19/2016		Special Common Shares	37,437
Option (Right to buy)	\$ 59.45	Â	Â	Â	Â	Â	12/15/2007	07/02/2017		Special Common Shares	25,737
Option (Right to buy)	\$ 35.35	Â	Â	Â	Â	Â	Â <sup>(4)</sup>	08/26/2018		Special Common Shares	31,500
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2009	Â <sup>(2)</sup>		Special Common Shares	2,847
Restricted Stock Units	Â	Â	Â	Â	Â	Â	12/15/2010	Â <sup>(3)</sup>		Special Common Shares	4,691

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HERBERT C THEODORE 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	Â	Â	Â VP Human Resources	Â

## Signatures

Julie D. Mathews, by power  
of atty 01/28/2009

\_\_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) Granted under the TDS 1998 Long Term Incentive Plan. The option is exercisable with respect to 2550 common shares on 12/15/01, 12/15/02, 12/15/03 and 12/15/04 for a total of 10,200 common shares.
- (2) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2009.
- (3) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2010.
- (4) Granted under the 2004 Long-Term Incentive Plan. Options vest over a 3 year period with one-third of the number of shares becoming exercisable on Aug. 26, 2009, one-third on Aug. 26, 2010 and one-third on Aug. 26, 2010.

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