

TELEPHONE & DATA SYSTEMS INC /DE/
Form FWP
March 21, 2011

Filed Pursuant to Rule 433

Registration No. 333-155078

March 21, 2011

Free Writing Prospectus

(To Prospectus dated March 21, 2011 and

Preliminary Prospectus Supplement Dated March 21, 2011)

\$300,000,000

Telephone and Data Systems, Inc.

7% Senior Notes due 2060

Pricing Term Sheet

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|--------------------------------|---------------------------------------------------------------------------|
| Issuer: | Telephone and Data Systems, Inc. |
| Security: | 7% Senior Notes due 2060 |
| Principal Amount: | \$300,000,000 |
| Over-Allotment Option: | None |
| Denominations: | \$25 and integral multiples in excess thereof |
| Trade Date: | March 21, 2011 |
| Settlement Date: | March 28, 2011 (T+5) |
| Maturity Date: | March 15, 2060 |
| Coupon: | 7.00% |
| Interest Payment Dates: | March 15, June 15, September 15 and December 15, commencing June 15, 2011 |

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|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Price to Public: | \$25 per note |
| Optional Redemption: | The Issuer may redeem the Notes, in whole or in part, at any time on and after March 15, 2016 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date. |
| Use of Proceeds: | The net proceeds to be received by the Issuer from the offering, after deducting underwriting discounts and commissions and other offering expenses payable by the Issuer, are estimated to be approximately \$290.2 million. The Issuer expects to use approximately \$282.5 million of the net proceeds from the offering to redeem all of its 7.6% Series A Notes due 2041, of which \$282.5 million in aggregate principal amount is outstanding. The remaining net proceeds will be used for general corporate purposes. |
| Listing: | The Issuer intends to list the Notes on the New York Stock Exchange and expects trading in the Notes on the New York Stock Exchange to begin within 30 days after the Settlement Date. |

CUSIP/ISIN: 879433 837 / US8794338371

Anticipated Ratings: Baa2 by Moody's Investors Service, Inc.
BBB- by Standard & Poor's Rating Services
BBB by Fitch Ratings

Joint Book-Running Managers: Citigroup Global Markets Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
UBS Securities LLC
Wells Fargo Securities, LLC

Co-Managers: RBC Capital Markets, LLC
BNY Mellon Capital Markets, LLC
Comerica Securities, Inc.
SunTrust Robinson Humphrey, Inc.
TD Securities (USA) LLC
U.S. Bancorp Investments, Inc.

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering.

You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at 1-877-858-5407 or e-mail batprospectusdept@citigroup.com; or Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322 or e-mail dg.prospectus_requests@baml.com; or UBS Securities LLC toll-free at 1-877-827-6444, extension 561 3884; or Wells Fargo Securities, LLC toll-free at 1-800-326-5897 or e-mail prospectus.specialrequests@wachovia.com.