

CENTURYTEL INC

FORM 8-K

(Unscheduled Material Events)

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Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 25, 2002

CenturyTel, Inc.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other
jurisdiction of
incorporation)

1-7784
(Commission File
Number)

72-0651161
(IRS Employer
Identification No.)

100 CenturyTel Drive, Monroe, Louisiana
(Address of principal executive offices)

71203
(Zip Code)

Registrant's telephone number, including area code (318) 388-9000

Item 5. Other Events.

On April 25, 2002, CenturyTel, Inc. issued a press release announcing its first quarter 2002 consolidated operating results, and discussing its outlook for 2002. The entire text of the release is reproduced below:

FOR IMMEDIATE RELEASE
April 25, 2002

FOR MORE INFORMATION CONTACT:
Media: Patricia Cameron 318.388.9674
patricia.cameron@centurytel.com
Investors: Tony Davis 318.388.9525
tony.davis@centurytel.com

CENTURYTEL REPORTS STRONG FIRST QUARTER EARNINGS GROWTH

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating
results for first quarter 2002.

- o Revenues from continuing operations increased 2.7% to \$422.9 million.
- o Earnings from continuing operations before interest, taxes, depreciation and amortization, excluding nonrecurring items, rose to \$212.0 million.
- o Income from continuing operations, excluding nonrecurring items, climbed 13.0% to \$44.8 million.
- o Diluted earnings per share from continuing operations, excluding nonrecurring items, increased 10.7% to \$.31.
- o Free cash flow climbed to \$88.6 million.

First Quarter Highlights

(Excluding nonrecurring items)

(In thousands, except per share and
customer amounts)

Quarter Ended
03/31/02

Quarter Ended
03/31/01

% Change

Revenues from continuing operations	\$	422,918	\$	411,602	2.7%
EBITDA from continuing operations (1)	\$	212,008	\$	207,594	2.1%
Income from continuing operations (1)	\$	44,807	\$	39,649 (2)	13.0%

Net Income (1)	\$ 72,717	\$ 62,005 (2)	17.3%
Diluted Earnings Per Share from continuing operations (1)	\$.31	\$.28 (2)	10.7%
Diluted Earnings Per Share (1)	\$.51	\$.44 (2)	15.9%
Average Diluted Shares Outstanding	\$ 142,654	142,482	0.1%
Telephone Revenues	\$ 372,731	\$ 371,249	0.4%
Other Operations Revenues	\$ 50,187	\$ 40,353	24.4%
<hr/>			
Telephone Access Lines	1,795,769	1,803,062	(0.4)%
Long Distance Customers	515,376	392,931	31.2%
<hr/>			

(1) Includes corporate overheads previously allocated to discontinued operations.

(2) As adjusted to reflect the after-tax effect of eliminating goodwill amortization in accordance with SFAS 142.

"CenturyTel's earnings per share from continuing operations grew a strong 10.7% reflecting cost containment during the first quarter and the benefits of debt reduction during 2001," Glen F. Post, III, President and Chief Executive Officer, said. "We achieved a solid 55.6% EBITDA margin in our telephone operations, an 80 basis point improvement over the first quarter 2001."

THE COMPANY has reflected its wireless business as discontinued operations in this release due to its pending divestiture. As a result of this treatment, depreciation expense for the wireless operations was ceased effective March 19, 2002, the date of the definitive agreement, which contributed approximately \$.01 to earnings per share for the quarter. Income from continuing operations includes corporate overheads previously absorbed by its wireless operations and total interest expense.

CONSOLIDATED revenues from continuing operations rose 2.7% to \$422.9 million from \$411.6 million. EBITDA from continuing operations, excluding nonrecurring items, grew to \$212.0 million from \$207.6 million. CenturyTel achieved a consolidated EBITDA margin of 50.1% during the quarter. Net income from continuing operations for the quarter, excluding nonrecurring items, increased 13.0% to \$44.8 million from \$39.6 million in first quarter 2001 (as adjusted), primarily due to telephone operating expense containment and lower interest expense. Diluted earnings per share from continuing operations, excluding nonrecurring items, increased 10.7% to \$.31 from \$.28 (as adjusted).

TELEPHONE operating income, excluding nonrecurring items, increased 11.3% to \$118.0 million from \$106.0 million, and EBITDA rose 2.0% to \$207.3 million from \$203.3 million a year ago. CenturyTel's first quarter telephone EBITDA margin was 55.6% while the operating income margin was 31.6%, which includes a \$3.7 million charge related to reserves for uncollectible accounts due to the bankruptcy of an interexchange carrier.

"Our long distance operations achieved record net additions of more than 49,000 customers during the quarter, a 10.6% sequential increase in total long distance customers. In addition, CenturyTel added more than 12,000 Internet customers during the quarter, of which 6,900 were DSL connections," Post said.

OTHER OPERATIONS revenues grew 24.4% to \$50.2 million during first quarter 2002, compared with \$40.4 million in first quarter 2001. CenturyTel's long distance revenues increased 15.3% to \$31.8 million. CenturyTel now serves more than 515,000 long distance customers, adding more than 49,000 during the quarter. Internet revenues increased 49.6% to \$12.6 million in first quarter 2002 from \$8.4 million in first quarter 2001. Internet operating losses were \$1.4 million for the quarter compared to \$2.8 million in operating losses for the first quarter 2001. CenturyTel CLEC revenues increased by \$1.9 million, of which \$1.3 million resulted from the acquisition of CLEC assets in Monroe and Shreveport, Louisiana, at the end of February 2002.

FOR FIRST QUARTER 2002, prepared in accordance with generally accepted accounting principles (GAAP), the Company reported net income of \$70.8 million, or \$.50 per diluted share, compared to net income of \$60.8 million (as adjusted), or \$.43 per diluted share in first quarter 2001. Net income in first quarter 2002 includes a nonrecurring \$3 million pre-tax charge for advisory and consulting fees.

FOR THE SECOND QUARTER 2002, the Company expects revenue from continuing operations to be \$420 to \$435 million, approximately a 3.0% to 6.0% increase over second quarter 2001. Operating cash flow from continuing operations is expected to be \$209 to \$219 million. Diluted earnings per share from continuing operations is anticipated to be \$.28 to \$.32, while total diluted earnings per share is expected to be \$.51 to \$.55 for second quarter 2002. These estimates exclude nonrecurring items and one-time integration costs of \$5 - \$7 million related to the pending Verizon acquisitions.

FOR THE FULL YEAR 2002, total diluted earnings per share, excluding nonrecurring items and one-time acquisition integration costs of \$8 - \$10 million, is expected to be \$2.06 to \$2.18. This is based upon several financing, operational and other assumptions, including the anticipated close of our wireless divestiture in mid-year 2002; the expected completion of the pending Verizon acquisitions in Alabama and Missouri at the end of June and August, respectively, and the successful implementation of the Company's financing plans discussed below. Consummation of the Verizon acquisitions and wireless divestiture are subject to the receipt of all necessary regulatory approvals and satisfaction of other closing conditions.

THE COMPANY continues to believe the net effect of its wireless divestiture and its Verizon acquisitions will be breakeven to \$.03 accretive to earnings per share during the first full year of operations, based upon current financing, operational and other assumptions.

THE COMPANY'S FINANCING PLANS are not yet complete and will be dependent upon market conditions and other factors. The Company currently anticipates it will finance its pending Verizon acquisitions and refinance its 1997 credit facility with (i) proceeds from the pending divestiture of its wireless business, (ii) net proceeds from the possible sale of equity-linked and debt securities later this year and (iii) additional proceeds from new credit facilities that the Company anticipates entering into the second quarter of 2002.

In addition to historical information, this release includes forward-looking statements, estimates and projections that are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond the control of CenturyTel. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the Company's ability to effectively manage its growth, including integrating newly acquired businesses into our operations, successfully financing and timely consummating pending acquisitions, hiring adequate numbers of qualified staff and successfully upgrading our billing and other information systems; successfully obtaining all governmental and other approvals, consents and waivers necessary to complete the Company's pending acquisitions and wireless divestiture; the terms upon which the Company finances its pending acquisitions; the inherent risk of rapid technological change; the effects of on-going changes in the regulation of the Company or the communications industry generally; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for, or pricing of, the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; higher than anticipated interest rates; and the effects of more general factors such as changes in overall market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the Company's business are described in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2001. The information contained in this release is as of April 25, 2002. The Company undertakes no obligation to update or revise any of this information whether as a result of new information, future events or developments, or otherwise.

CenturyTel's management will host a conference call at 10:30 A.M. Central time today. Interested parties can access the call by dialing 800.729.6845 and the call will be accessible for replay by calling 800.642.1687 and entering the conference-id number: 3769540. Investors can also listen to CenturyTel's earnings conference call and replay by accessing the Company's Web site at (www.centurytel.com)

CenturyTel, Inc. provides communications services including local exchange, wireless, long distance, Internet access and data services to nearly three million customers in 21 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the 8th largest local exchange telephone company, based on access lines, in the United States.

Visit CenturyTel's corporate Web site at (www.centurytel.com)

CENTURYTEL, INC.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 2002 AND 2001
(UNAUDITED)

	AS REPORTED			EXCLUDING NONRECURRING ITEMS		
	2002	2001	INCREASE (DECREASE)	2002	2001	INCREASE (DECREASE)
In thousands, except per share amounts						
TELEPHONE OPERATIONS						
Operating revenues						
Local service	\$ 123,877	121,161	2.2%	123,877	121,161	2.2%
Network access	216,576	213,867	1.3%	216,576	213,867	1.3%
Other	32,278	36,221	(10.9%)	32,278	36,221	(10.9%)
	372,731	371,249	0.4%	372,731	371,249	0.4%
Operating expenses						
Plant operations	91,086	93,885	(3.0%)	91,086	91,885	(0.9%)
Customer operations	29,938	29,257	2.3%	29,938	29,257	2.3%
Corporate and other	44,396	46,765	(5.1%)	44,396	46,765	(5.1%)
Depreciation and amortization	89,343	97,361	(8.2%)	89,343	97,361	(8.2%)
	254,763	267,268	(4.7%)	254,763	265,268	(4.0%)
Telephone operating income	117,968	103,981	13.5%	117,968	105,981	11.3%
OTHER OPERATIONS						
Operating revenues						
Long distance	31,817	27,600	15.3%	31,817	27,600	15.3%
Internet	12,561	8,399	49.6%	12,561	8,399	49.6%
Other	5,809	4,354	33.4%	5,809	4,354	33.4%
	50,187	40,353	24.4%	50,187	40,353	24.4%
Operating expenses						
Cost of sales and other	41,424	33,589	23.3%	41,424	33,589	23.3%

a - Had goodwill not been subject to amortization in 2001, basic and diluted earnings per share would have been \$.27 from continuing operations and \$.16 from discontinued operations.

b - Had goodwill not been subject to amortization in 2001, basic and diluted earnings per share (excluding nonrecurring items) would have been \$.28 from continuing operations and \$.16 from discontinued operations.

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2002 AND DECEMBER 31, 2001
(UNAUDITED)

	March 31, 2002	December 31, 2001

	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 52,138	3,496
Other current assets	224,559	226,417
	-----	-----
Total current assets	276,697	229,913
	-----	-----
PROPERTY, PLANT AND EQUIPMENT		
Telephone	5,344,135	5,292,255
Other	470,154	446,920
Accumulated depreciation	(3,085,990)	(3,003,033)
	-----	-----
Net property, plant and equipment	2,728,299	2,736,142
	-----	-----
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	2,116,265	2,087,158
Other	425,636	420,043
	-----	-----
Total investments and other assets	2,541,901	2,507,201
	-----	-----
ASSETS HELD FOR SALE	832,543	845,428
	-----	-----
TOTAL ASSETS	\$ 6,379,440	6,318,684
	=====	=====

LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short-term debt and current maturities of long-term debt	\$ 921,966	1,008,834
Other current liabilities	307,492	230,048
	-----	-----
Total current liabilities	1,229,458	1,238,882
	-----	-----
LONG-TERM DEBT	2,081,396	2,087,500
DEFERRED CREDITS AND OTHER LIABILITIES	508,502	506,052
LIABILITIES RELATED TO ASSETS HELD FOR SALE	155,679	148,870
STOCKHOLDERS' EQUITY	2,404,405	2,337,380
	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 6,379,440	6,318,684
	=====	=====

CAPITAL EXPENDITURES THREE MONTHS ENDED MARCH 31, 2002 AND 2001

	2002	2001	INCREASE (DECREASE)
	-----	-----	-----
	(in thousands)		
Telephone	\$ 67,538	72,680	(7.1%)
Wireless (discontinued operations)	6,137	18,332	(66.5%)
Other	5,994	29,573	(79.7%)
	-----	-----	-----
Total capital expenditures	\$ 79,669	120,585	(33.9%)
	=====	=====	=====

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CenturyTel, Inc.

By: /s/ Neil A. Sweasy

Neil A. Sweasy

Vice President and Controller

End of Filing

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