

# CENTURYTEL INC

## FORM 8-K

(Unscheduled Material Events)

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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 27, 2000

**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 Century Park 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**

The following press release was issued by CenturyTel, Inc. on April 27, 2000:

FOR IMMEDIATE RELEASE  
April 27, 2000

FOR MORE INFORMATION CONTACT:  
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**CenturyTel's Revenues from Recurring Operations Rise 9 Percent**

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating results  
for first quarter 2000.

- o Revenues from recurring operations were \$412.9 million.
- o Net income from recurring operations was \$48.0 million.
- o Diluted earnings per share from recurring operations were \$.34.
- o Earnings from recurring operations before interest, taxes, depreciation and amortization were \$202.6 million.

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First Quarter Highlights,  
excluding the effect of  
asset divestitures and  
nonrecurring gains and losses

Quarter Ended	Quarter Ended	% Change
3/31/00	3/31/99	

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(In thousands, except per share amounts)

Revenues	\$	412,863	\$	378,117	9.2%
EBITDA (1)	\$	202,636	\$	207,176	(2.2%)
Net Income (2)	\$	48,014	\$	52,307	(8.2%)
Diluted Earnings Per Share (2)	\$	.34	\$	.37	(8.1%)

Average Diluted Shares Outstanding		142,556	141,028	1.1%
Telephone Revenues (3)	\$	276,926	\$ 259,308	6.8%
Wireless Revenues	\$	100,311	\$ 92,876	8.0%
Other Operations Revenues	\$	35,626	\$ 25,933	37.4%
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Telephone Access Lines		1,282,237	1,230,929	4.2%
Wireless Units in Majority-Owned Markets		727,507	618,294	17.7%
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(1) Earnings from recurring operations before interest, taxes, depreciation and amortization

(2) Excludes after-tax gain on asset sales of \$5.2 million, or \$.04 per share, and nonrecurring charges of \$3.8 million, or \$.03 per share, in first quarter 2000, and after-tax gain on asset sales of \$6.7 million, or \$.05 per share, in first quarter 1999

(3) Internet revenues of \$4.5 million in first quarter 2000 and \$3.2 million in first quarter 1999 were reclassified from Telephone Revenues to Other Operations Revenues

"CenturyTel's first quarter earnings were influenced by higher expenses related to several key wireline and wireless growth initiatives," Glen F. Post, III, President and Chief Executive Officer, said. "In our wireline operations, we incurred \$6.0 million in expenses preparing to integrate the pending GTE acquisitions. Aggressive wireless sales and marketing campaigns led to expense increases of \$8.0 million while resulting in strong wireless unit growth of more than 30,600 net customer additions during the quarter."

Net income from recurring operations for the quarter declined 8.2% to \$48.0 million from \$52.3 million in first quarter 1999. Diluted earnings per share from recurring operations decreased 8.1% to \$.34 from \$.37. Consolidated revenues from recurring operations rose 9.2% to \$412.9 million from \$378.1 million. EBITDA from recurring operations decreased to \$202.6 million from \$207.2 million resulting in an EBITDA margin of 49.1% for the quarter.

These results exclude the 1999 contribution to revenues of \$35.5 million and associated expenses from the sale of non-strategic assets in Alaska and South Texas. Also excluded are one-time charges of \$5.3 million, which relate to write-offs taken by another carrier operating markets in which CenturyTel has a minority ownership interest.

"Many of the factors affecting this quarter's performance stem from short-term expense issues related to pending acquisitions or other growth initiatives. We believe that our financial results will improve over the second half of the year as we execute our growth strategies," Post said.

Telephone revenues from recurring operations grew 6.8% to \$276.9 million during the quarter, compared with \$259.3 million in first quarter 1999. Telephone operating income from recurring operations decreased 1.2%, to \$84.5 million from \$85.5 million, and EBITDA from recurring operations rose 1.4% to \$151.9 million from \$149.8 million a year ago. CenturyTel's first quarter telephone EBITDA margin was 54.8% while the operating income margin was 30.5% from recurring operations. In our wireline operations we incurred \$6.0 million in expenses related to the pending GTE acquisitions including overhead retained subsequent to the disposition of CenturyTel's Alaska operations.

o The pending GTE acquisitions are projected to close at the end of second quarter and early third quarter 2000 subject to regulatory approvals.

o CenturyTel will experience additional expenses in the second quarter related to the pending GTE acquisitions. Once these acquisitions are finalized, they are expected to generate more than \$340 million in revenues during the first full year of operation.

Wireless revenues from recurring operations grew 8.0% to \$100.3 million in first quarter 2000, compared with \$92.9 million in first quarter 1999. Wireless operating income from recurring operations was \$20.1 million compared to \$27.8 million, a 27.9% decrease, and EBITDA from recurring operations decreased 17.5% to \$36.3 million compared to \$44.1 million a year ago. The rollout of new pricing plans coupled with higher customer growth increased sales and marketing expenses by \$8.0 million, which reduced operating income and cash flow for the quarter. CenturyTel's first quarter wireless EBITDA margin from recurring operations was 36.2% (37.6% based on service revenues), and operating income margin was 20.0% (20.8% based on service revenues). Average monthly cellular service revenue per user (ARPU) was \$45 during first quarter 2000, an 11.8% decrease from \$51 a year ago.

o CenturyTel added more than 30,600 wireless customers during the first quarter, a 105% increase from a year ago. CenturyTel achieved its best first quarter for net additions in company history.

o CenturyTel achieved an average monthly postpaid churn rate of 2.0% for the quarter.

o During the quarter, CenturyTel divested its last remaining cellular RSA in Alaska reducing wireless subscribers by 10,600.

Other operations revenues from recurring operations grew 37.4% to \$35.6 million during first quarter 2000, compared with \$25.9 million in first quarter 1999. CenturyTel's long distance business generated \$7.8 million of the increase in other operations revenues. CenturyTel now serves more than 319,000 long distance customers and in excess of 75,000 Internet subscribers.

o CenturyTel added more than 15,300 long distance customers during the quarter.

o During the quarter, CenturyTel added more than 6,900 Internet subscribers.

In addition to historical information, this release includes certain forward-looking statements that are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Such uncertainties include but are not limited to: the effects of ongoing deregulation in the telecommunications industry; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; our ability to timely consummate our pending acquisitions and effectively manage our growth, including financing costs, integrating newly acquired properties into our operations, hiring adequate numbers of qualified staff and successfully upgrading our billing and other information systems; the risks inherent in rapid technological change; 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, 1999.

CenturyTel, Inc. provides integrated communications services including local exchange, wireless, long distance, Internet access and security monitoring services to more than two million customers in 20 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the seventh largest local exchange telephone company, based on access lines, and the ninth largest cellular company, based on population equivalents owned, in the United States. Visit CenturyTel's corporate website at [www.centurytel.com]

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED MARCH 31, 2000 AND 1999**  
**(UNAUDITED)**

	2000	1999	INCREASE (DECREASE)
	In thousands, except per share amounts		
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 88,065	90,657	(2.9%)
Network access	162,253	167,155	(2.9%)
Other	26,608	30,461	(12.6%)
	276,926	288,273	(3.9%)
Operating expenses			
Plant operations	62,776	63,937	(1.8%)
Customer operations	22,761	21,357	6.6%
Corporate and other	39,532	36,879	7.2%
Depreciation and amortization	67,360	71,427	(5.7%)
	192,429	193,600	(0.6%)
Telephone operating income	84,497	94,673	(10.7%)
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	96,623	96,061	0.6%
Equipment sales	3,781	2,501	51.2%
	100,404	98,562	1.9%
Operating expenses			
Cost of equipment sold	8,180	4,385	86.5%
System operations	15,653	13,636	14.8%
General, administrative and customer service	18,206	19,329	(5.8%)
Sales and marketing	22,125	14,120	56.7%
Depreciation and amortization	16,349	17,439	(6.3%)
	80,513	68,909	16.8%
Wireless operating income	19,891	29,653	(32.9%)
OTHER OPERATIONS			
Operating revenues	35,626	27,421	29.9%

Operating expenses			
Cost of sales and other	27,490	20,009	37.4%
Depreciation and amortization	1,102	1,115	(1.2%)
	28,592	21,124	35.4%
Other operating income	7,034	6,297	11.7%
TOTAL OPERATING INCOME	111,422	130,623	(14.7%)
OTHER INCOME (EXPENSE)			
Interest expense	(36,042)	(42,241)	(14.7%)
Gain on sales of assets	9,910	10,358	(4.3%)
Income from unconsolidated cellular entities	(1,459)	6,845	(121.3%)
Minority interest	(2,292)	(3,310)	(30.8%)
Other income and expense	4,229	2,180	94.0%
Income tax expense	(36,484)	(43,350)	(15.8%)
NET INCOME	\$ 49,284	61,105	(19.3%)
EARNINGS PER SHARE			
Basic (1)	\$ 0.35	0.44	(20.5%)
Diluted (2)	\$ 0.35	0.43	(18.6%)
SHARES OUTSTANDING			
Basic	140,565	138,086	1.8%
Diluted	142,556	141,028	1.1%
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%
(1) Excluding the effect of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$.34 and \$.38 for 2000 and 1999, respectively			
(2) Excluding the effect of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$.34 and \$.37 for 2000 and 1999, respectively			

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED MARCH 31, 2000 AND 1999**  
**(UNAUDITED)**

Excludes the effect of asset divestitures and nonrecurring gains and losses	2000	1999	INCREASE (DECREASE)
	In thousands, except per share amounts		
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 88,065	80,947	8.8%
Network access	162,253	152,238	6.6%
Other	26,608	26,123	1.9%
	276,926	259,308	6.8%
Operating expenses			
Plant operations	62,776	55,793	12.5%
Customer operations	22,761	18,914	20.3%
Corporate and other	39,532	34,828	13.5%
Depreciation and amortization	67,360	64,286	4.8%
	192,429	173,821	10.7%
Telephone operating income	84,497	85,487	(1.2%)
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	96,612	90,543	6.7%
Equipment sales	3,699	2,333	58.6%

	100,311	92,876	8.0%
Operating expenses			
Cost of equipment sold	8,103	4,190	93.4%
System operations	15,553	12,518	24.2%
General, administrative and customer service	18,206	18,398	(1.0%)
Sales and marketing	22,116	13,715	61.3%
Depreciation and amortization	16,265	16,229	0.2%
	80,243	65,050	23.4%
Wireless operating income	20,068	27,826	(27.9%)
OTHER OPERATIONS			
Operating revenues	35,626	25,933	37.4%
Operating expenses			
Cost of sales and other	26,986	18,636	44.8%
Depreciation and amortization	1,102	1,030	7.0%
	28,088	19,666	42.8%
Other operating income	7,538	6,267	20.3%
TOTAL OPERATING INCOME	112,103	119,580	(6.3%)
OTHER INCOME (EXPENSE)			
Interest expense	(36,017)	(36,479)	(1.3%)
Income from unconsolidated cellular entities	3,871	6,845	(43.4%)
Minority interest	(2,292)	(2,760)	(17.0%)
Other income and expense	4,227	1,966	115.0%
Income tax expense	(33,878)	(36,845)	(8.1%)
NET INCOME	\$ 48,014	52,307	(8.2%)
EARNINGS PER SHARE			
Basic	\$ 0.34	0.38	(10.5%)
Diluted	\$ 0.34	0.37	(8.1%)
SHARES OUTSTANDING			
Basic	140,565	138,086	1.8%
Diluted	142,556	141,028	1.1%
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%

**CenturyTel, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
**MARCH 31, 2000 AND DECEMBER 31, 1999**  
**(UNAUDITED)**

	March 31, 2000	December 31, 1999
(in thousands)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 62,629	56,640
Other current assets	244,273	229,433
Total current assets	306,902	286,073
PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,465,611	3,439,469
Wireless	468,630	472,725

Other	305,367	281,713
Accumulated depreciation	(2,007,218)	(1,937,449)
Net property, plant and equipment	2,232,390	2,256,458
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,632,171	1,644,884
Other	557,721	517,992
Total investments and other assets	2,189,892	2,162,876
TOTAL ASSETS	\$ 4,729,184	4,705,407

#### LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 62,311	62,098
Other current liabilities	303,757	247,079
Total current liabilities	366,068	309,177
LONG-TERM DEBT	1,998,430	2,078,311
DEFERRED CREDITS AND OTHER LIABILITIES	475,321	469,927
STOCKHOLDERS' EQUITY	1,889,365	1,847,992
TOTAL LIABILITIES AND EQUITY	\$ 4,729,184	4,705,407

#### CAPITAL EXPENDITURES THREE MONTHS ENDED MARCH 31, 2000 AND 1999

	2000	1999	INC (DEC)
	(in thousands)		
Telephone	\$ 29,309	38,304	(23.5%)
Wireless	3,679	8,563	(57.0%)
Corporate and other	25,177	16,134	56.0%
Total capital expenditures	\$ 58,165	63,001	(7.7%)

#### 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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