

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) October 27, 2005

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 2.02. Results of Operations and Financial Condition.

The following information, except for any forward-looking statements (including our forecasts for the upcoming quarter) and except for our references to non-GAAP financial measures (as defined in Regulation G promulgated by the Securities and Exchange Commission), shall be deemed incorporated by reference into any registration statement heretofore and hereafter filed by us under the Securities Act of 1933, as amended, except to the extent that such incorporated information is superceded by information as of a subsequent date that is included in or incorporated by reference into any such registration statement. None of the following information shall be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

On October 29, 2005, we issued a press release announcing our third quarter 2005 consolidated operating results. More complete information on our operating results will be included in our Quarterly Report on Form 10-Q for the period ended September 30, 2005, which we expect to file shortly with the Securities and Exchange Commission. The complete press release is included as Exhibit 99.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibit.

99 Press release dated October 27, 2005 reporting third quarter 2005 operating results.

SIGNATURES

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 hereunto duly authorized.

CENTURYTEL, INC.

By: /s/ Neil A. Sweasy

Neil A. Sweasy
Vice President and Controller

Dated: October 27, 2005

FOR IMMEDIATE RELEASE FOR MORE INFORMATION CONTACT:

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CenturyTel Reports Third Quarter Earnings

Monroe, La. . . CenturyTel, Inc. (NYSE: CTL) announces operating results for third quarter 2005.

- o Operating revenues, excluding nonrecurring items, increased 8.2% to \$657.1 million from \$607.4 million. Reported under GAAP, operating revenues increased 8.8% to \$657.1 million from \$603.9 million.
- o Operating cash flow (as defined in the attached financial schedules), excluding nonrecurring items, was \$340.6 million.
- o Net income, excluding nonrecurring items, was \$99.0 million compared to \$81.1 million in third quarter 2004. Net income, reported under GAAP, was \$91.4 million compared to \$86.2 million in third quarter 2004.
- o Diluted earnings per share, excluding nonrecurring items, was \$.74 in third quarter 2005 and \$.59 in third quarter 2004, while GAAP diluted earnings per share was \$.68 in third quarter 2005 and \$.63 in third quarter 2004.
- o Free cash flow (as defined in the attached financial schedules), excluding nonrecurring items, was \$127.5 million in third quarter 2005.

Third Quarter Highlights (Excluding nonrecurring items) (In thousands, except per share amounts and customer units)	Quarter Ended 9/30/05	Quarter Ended 9/30/04	% Change
Operating Revenues (1)	\$ 657,085	\$ 607,392	8.2%
Operating Cash Flow (2)	\$ 340,621	\$ 308,239	10.5%
Net Income	\$ 98,977	\$ 81,135	22.0%
Diluted Earnings Per Share	\$.74	\$.59	25.4%
Average Diluted Shares Outstanding	135,916	139,816	(2.8)%
Capital Expenditures	\$ 105,044	\$ 97,583	7.6%
Telephone Access Lines	2,250,416	2,336,517	(3.7)%
Long Distance Lines	1,142,209	1,037,293	10.1%
DSL Connections	219,879	120,869	81.9%

(1) Third quarter 2005 Operating Revenues increased approximately \$34.2 million compared to third quarter 2004 due to the recognition of prior period revenue settlements.

(2) Operating Cash Flow is a non-GAAP financial measure. A reconciliation of this item to comparable GAAP measures is included in the attached financial schedules.

"We continue to see strong demand for broadband and fiber transport services in our markets," Glen F. Post, III, chairman and chief executive officer, said. "The mid-year addition of the KMC metro fiber assets and continued solid internal growth in our LightCore operations drove revenue growth of \$17.2 million, a 90% increase in fiber transport and CLEC revenues since third quarter 2004."

Operating revenues, excluding nonrecurring items, rose 8.2% to \$657.1 million in third quarter 2005 from \$607.4 million in third quarter 2004. Revenue increases aggregating \$56 million resulted primarily from approximately \$13.8 million of revenues generated by the metro fiber assets acquired in second quarter 2005, \$34.2 million related to adjustments to recognize prior period revenue settlements, and data revenue growth from DSL subscribers. These increases more than offset revenue declines of \$10.2 million attributable to previously anticipated lower intrastate toll revenues, universal service funding and access line losses.

Operating expenses, excluding nonrecurring items, increased 5.6% to \$450.0 million from \$426.2 million in third quarter 2004 due primarily to the fiber assets acquired during second quarter 2005 and strong growth in the broadband business.

"One of our key strategies is to be the broadband provider of choice in our markets. We continued to make progress in this area as we added more than 25,000 DSL connections during the third quarter, more than double the 12,000 added in third quarter 2004," Post said.

Operating cash flow, excluding nonrecurring items, increased 10.5% to \$340.6 million from \$308.2 million. CenturyTel achieved an operating cash flow margin, excluding nonrecurring items, of 51.8% during the quarter versus 50.7% in third quarter 2004.

Net income, excluding nonrecurring items, was \$99.0 million compared to \$81.1 million in third quarter 2004. Diluted earnings per share, excluding nonrecurring items, was \$.74 in third quarter 2005 and \$.59 in third quarter 2004.

As of October 26, 2005, approximately 82% of the 12.9 million shares under the Company's accelerated share repurchase agreements had been repurchased at a weighted average price per share of approximately \$34.50.

For the first nine months of 2005, operating revenues, excluding nonrecurring items, increased to \$1.859 billion from \$1.805 billion for the same period in 2004, a 3.0% increase. Operating cash flow, excluding nonrecurring items, was \$966.0 million for 2005 compared to \$939.5 million a year ago. Operating income, excluding nonrecurring items, increased to \$569.8 million from \$554.6 million in 2004.

Under generally accepted accounting principles (GAAP), net income for third quarter 2005 was \$91.4 million compared to \$86.2 million for third quarter 2004. Diluted earnings per share for third quarter 2005 and 2004 was \$.68 and \$.63, respectively. For the first nine months of 2005 and 2004, net income was \$256.1 million and \$252.8 million, respectively, while diluted earnings per share was \$1.91 and \$1.79, respectively. As explained further in the attached financial schedules, third quarter 2005 results reflect a net after-tax charge of \$7.6 million from expenses associated with Hurricanes Katrina and Rita and transactions related to certain non-operating investments. Third quarter 2004 results reflect an after-tax \$6.0 million adjustment for over depreciated assets and the related revenue effect. Other nonrecurring items that affected the third quarters and first nine months of 2005 and 2004 are detailed in the accompanying financial information.

Outlook. For fourth quarter 2005, CenturyTel expects total revenues of \$610 to \$620 million and diluted earnings per share of \$.52 to \$.56. As a result of better than anticipated third quarter performance, the Company has increased and narrowed the range of anticipated full year 2005 diluted earnings per share guidance to \$2.49 to \$2.53. All outlook figures provided under this section are presented excluding the potential impact of any future mergers, acquisitions, divestitures, share repurchases or other unusual events.

CenturyTel expects to provide full year 2006 earnings per share guidance in January 2006. The Company has, however, identified several items that can be expected to affect 2006 results when compared to 2005. Increased national average loop costs are expected to negatively impact the Company's 2006 Universal Service Fund receipts and diluted earnings per share by \$.06 to \$.08. Revenue settlements related to prior periods are anticipated to decline and negatively impact 2006 diluted earnings per share by \$.14 to \$.18. The change in accounting for stock options is anticipated to negatively impact 2006 diluted earnings per share by \$.05 to \$.06. CenturyTel currently expects lower 2006 interest expense to contribute \$.03 to \$.05 to 2006 diluted earnings per share. Upon completion of its accelerated share repurchase program later this year, the Company currently anticipates completing the remaining \$86 million outstanding under its \$200 million share repurchase program. Additionally, CenturyTel believes it will continue to drive growth in its broadband and fiber transport businesses. These and other items that may affect 2006 results will be discussed further during the Company's fourth quarter 2005 earnings call in early 2006.

Reconciliation to GAAP. This release includes certain non-GAAP financial measures, including but not limited to operating cash flow, free cash flow and adjustments to GAAP measures to exclude the effect of nonrecurring items. In addition to providing key metrics for management to evaluate the Company's performance, we believe these measurements assist readers in their understanding of period-to-period operating performance and in identifying historical and prospective trends. Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are included in the attached financial statements. Reconciliation of additional non-GAAP financial measures that may be discussed during the earnings call described below will be available in the Investor Relations portion of the Company's Web site at www.centurytel.com. Investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP.

Investor Call. As previously announced, CenturyTel's management will host a conference call at 10:30 a.m. Central Time today. Interested parties can access the call by dialing 866.259.7123. The call will be accessible for replay through November 2, 2005, by calling 888.266.2081 and entering the conference ID number 788978. Investors can also listen to CenturyTel's earnings conference call and replay by accessing the Investor Relations portion of the Company's Web site at www.centurytel.com prior to November 16, 2005.

In addition to historical information, this release includes certain 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 the Company. 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 timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the Company's ability to effectively manage its growth, including integrating newly-acquired businesses into the Company's operations and hiring adequate numbers of qualified staff; possible changes in the demand for, or pricing of, the Company's products and services; the Company's ability to successfully introduce new product or service offerings on a timely and cost-effective basis; the Company's ability to collect its receivables from financially troubled communications companies; the Company's ability to successfully negotiate collective bargaining agreements on reasonable terms; other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission; and the effects of more general factors such as changes in interest rates, in accounting policies or practices, in operating, medical or administrative costs, in general market, labor 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, 2004. You should be aware that new factors may emerge from time to time and it is not possible for management to identify all such factors, nor can it predict the impact of each such factor on the business or the extent to which any one or more factors may cause actual results to differ from those reflected in any forward-looking statements. You are further cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The information contained in this release is as of October 27, 2005. The Company undertakes no obligation to update any of its forward-looking statements for any reason.

CenturyTel (NYSE: CTL) delivers advanced communications with a personal touch. The Company, included in the S&P 500 Index, is a leading provider of consumer and business communications solutions in rural areas and small to mid-size cities in 26 states. Visit CenturyTel at www.centurytel.com.

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(UNAUDITED)

In thousands, except per share amounts	Three months ended September 30, 2005			Three months ended September 30, 2004			Increase (decrease) as reported	Increase (decrease) excluding nonrecurring items
	As reported	Less non- recurring items	As adjusted excluding non- recurring items	As reported	Less non- recurring items	As adjusted excluding non- recurring items		
OPERATING REVENUES								
Local service	\$ 176,069		176,069	179,793		179,793	(2.1%)	(2.1%)
Network access	257,586		257,586	237,522	(3,091) (4)	240,613	8.4%	7.1%
Long distance	49,788		49,788	49,743		49,743	0.1%	0.1%
Data	88,911		88,911	69,570	(422) (4)	69,992	27.8%	27.0%
Fiber transport and CLEC	36,361		36,361	19,113		19,113	90.2%	90.2%
Other	48,370		48,370	48,138		48,138	0.5%	0.5%
	657,085	-	657,085	603,879	(3,513)	607,392	8.8%	8.2%
OPERATING EXPENSES								
Cost of services and products	222,724	5,853 (1)	216,871	191,000		191,000	16.6%	13.5%
Selling, general and administrative	99,593		99,593	108,153		108,153	(7.9%)	(7.9%)
Depreciation and amortization	133,526		133,526	113,857	(13,221) (4)	127,078	17.3%	5.1%
	455,843	5,853	449,990	413,010	(13,221)	426,231	10.4%	5.6%
OPERATING INCOME	201,242	(5,853)	207,095	190,869	9,708	181,161	5.4%	14.3%
OTHER INCOME (EXPENSE)								
Interest expense	(49,904)		(49,904)	(52,174)		(52,174)	(4.4%)	(4.4%)
Income from unconsolidated cellular entity	1,270		1,270	1,929		1,929	(34.2%)	(34.2%)
Other income and expense	(4,214)	(6,429) (2)	2,215	(822)	(1,500) (5)	678	412.7%	226.7%
Income tax expense	(56,983)	4,716 (3)	(61,699)	(53,610)	(3,151) (6)	(50,459)	6.3%	22.3%
NET INCOME	\$ 91,411	(7,566)	98,977	86,192	5,057	81,135	6.1%	22.0%
BASIC EARNINGS PER SHARE	\$ 0.70	(0.06)	0.76	0.64	0.04	0.60	9.4%	26.7%
DILUTED EARNINGS PER SHARE	\$ 0.68	(0.06)	0.74	0.63	0.04	0.59	7.9%	25.4%
SHARES OUTSTANDING								
Basic	130,150		130,150	134,885		134,885	(3.5%)	(3.5%)
Diluted	135,916		135,916	139,816		139,816	(2.8%)	(2.8%)
DIVIDENDS PER COMMON SHARE	\$ 0.0600		0.0600	0.0575		0.0575	4.3%	4.3%

NONRECURRING ITEMS

(1) - Expenses associated with Hurricanes Katrina and Rita.

(2) - Includes (i) \$9.9 million impairment of non-operating investment, net of (ii) \$3.5 million gain on sale of a separate non-operating investment.

(3) - Tax effect of items (1) and (2).

(4) - Adjustment for overdepreciated assets, including related revenue effect.

(5) - Impairment of non-operating investment.

(6) - Tax effect of items (4) and (5).

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004
(UNAUDITED)

In thousands, except per share amounts	Nine months ended September 30, 2005			Nine months ended September 30, 2004			Increase (decrease) as reported	Increase (decrease) excluding nonrecurring items
	As reported	Less non- recurring items	As adjusted excluding non- recurring items	As reported	Less non- recurring items	As adjusted excluding non- recurring items		
OPERATING REVENUES								
Local service	\$ 530,319		530,319	537,993		537,993	(1.4%)	(1.4%)
Network access	727,268		727,268	723,994	(3,091) (5)	727,085	0.5%	0.0%

Long distance	141,746		141,746	140,059		140,059	1.2%	1.2%
Data	237,866		237,866	203,367	(422) (5)	203,789	17.0%	16.7%
Fiber transport and CLEC	78,240		78,240	54,866		54,866	42.6%	42.6%
Other	143,341		143,341	140,859		140,859	1.8%	1.8%
	1,858,780	-	1,858,780	1,801,138	(3,513)	1,804,651	3.2%	3.0%
OPERATING EXPENSES								
Cost of services and products	609,590	5,853 (1)	603,737	562,775		562,775	8.3%	7.3%
Selling, general and administrative	289,053		289,053	302,426		302,426	(4.4%)	(4.4%)
Depreciation and amortization	396,153		396,153	371,600	(13,221) (5)	384,821	6.6%	2.9%
	1,294,796	5,853	1,288,943	1,236,801	(13,221)	1,250,022	4.7%	3.1%
OPERATING INCOME	563,984	(5,853)	569,837	564,337	9,708	554,629	(0.1%)	2.7%
OTHER INCOME (EXPENSE)								
Interest expense	(152,176)	(1,196) (2)	(150,980)	(157,806)		(157,806)	(3.6%)	(4.3%)
Income from unconsolidated cellular entity	3,307		3,307	6,114		6,114	(45.9%)	(45.9%)
Other income and expense	(1,459)	(8,003) (3)	6,544	(2,329)	(1,500) (6)	(829)	(37.4%)	(889.4%)
Income tax expense	(157,511)	7,111 (4)	(164,622)	(157,561)	(3,151) (7)	(154,410)	(0.0%)	6.6%
NET INCOME	\$ 256,145	(7,941)	264,086	252,755	5,057	247,698	1.3%	6.6%
BASIC EARNINGS PER SHARE								
DILUTED EARNINGS PER SHARE	\$ 1.95	(0.06)	2.02	1.82	0.04	1.79	7.1%	12.8%
	\$ 1.91	(0.06)	1.97	1.79	0.04	1.75	6.7%	12.6%
SHARES OUTSTANDING								
Basic	130,877		130,877	138,512		138,512	(5.5%)	(5.5%)
Diluted	136,143		136,143	143,403		143,403	(5.1%)	(5.1%)
DIVIDENDS PER COMMON SHARE	\$ 0.1800		0.1800	0.1725		0.1725	4.3%	4.3%

NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Write-off of unamortized deferred debt costs associated with purchasing and retiring approximately \$400 million of Series J notes.
- (3) - Includes (i) a \$9.9 million impairment of non-operating investment and a \$4.8 million debt extinguishment charge related to purchasing and retiring approximately \$400 million of Series J notes, net of (ii) a \$3.5 million gain on sale of non-operating investment and \$3.2 million of interest income related to the settlement of various income tax audits.
- (4) - Includes (i) \$1.3 million tax benefit related to the settlement of various income tax audits, and (ii) \$5.8 million net tax benefit of items (1), (2) and (3).
- (5) - Adjustment for overdepreciated assets, including related revenue effect.
- (6) - Impairment of non-operating investment.
- (7) - Tax effect of items (5) and (6).

CenturyTel, Inc. CONSOLIDATED BALANCE SHEETS SEPTEMBER 30, 2005 AND DECEMBER 31, 2004 (UNAUDITED)

	September 30, 2005	December 31, 2004
	-----	-----
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 268,501	167,215
Other current assets	259,850	252,632
	-----	-----
Total current assets	528,351	419,847
	-----	-----
NET PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	7,699,418	7,431,017
Accumulated depreciation	(4,400,303)	(4,089,616)
	-----	-----
Net property, plant and equipment	3,299,115	3,341,401
	-----	-----
GOODWILL AND OTHER ASSETS		
Goodwill	3,432,623	3,433,864
Other	582,447	601,841
	-----	-----
Total goodwill and other assets	4,015,070	4,035,705

TOTAL ASSETS	\$ 7,842,536	7,796,953
	=====	=====
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 334,576	249,617
Other current liabilities	472,991	442,001
	-----	-----
Total current liabilities	807,567	691,618
LONG-TERM DEBT	2,500,270	2,762,019
DEFERRED CREDITS AND OTHER LIABILITIES	979,264	933,551
STOCKHOLDERS' EQUITY	3,555,435	3,409,765
	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 7,842,536	7,796,953
	=====	=====

CenturyTel, Inc.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

In thousands	Three months ended September 30, 2005			Three months ended September 30, 2004		
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items
Operating cash flow and cash flow margin						
Operating income	\$ 201,242	(5,853) (1)	207,095	190,869	9,708 (3)	181,161
Add: Depreciation and amortization	133,526	-	133,526	113,857	(13,221) (3)	127,078
Operating cash flow	\$ 334,768	(5,853)	340,621	304,726	(3,513)	308,239
	=====	=====	=====	=====	=====	=====
Revenues	\$ 657,085	-	657,085	603,879	(3,513) (3)	607,392
	=====	=====	=====	=====	=====	=====
Operating income margin (operating income divided by revenues)	30.6%		31.5%	31.6%		29.8%
	=====		=====	=====		=====
Operating cash flow margin (operating cash flow divided by revenues)	50.9%		51.8%	50.5%		50.7%
	=====		=====	=====		=====
Free cash flow (prior to debt service requirements and dividends)						
Net income	\$ 91,411	(7,566) (2)	98,977	86,192	5,057 (4)	81,135
Add: Depreciation and amortization	133,526	-	133,526	113,857	(13,221) (3)	127,078
Less: Capital expenditures	(105,044)	-	(105,044)	(97,583)	-	(97,583)
	-----	-----	-----	-----	-----	-----
Free cash flow	\$ 119,893	(7,566)	127,459	102,466	(8,164)	110,630
	=====	=====	=====	=====	=====	=====
Free cash flow	\$ 119,893			102,466		
Income from unconsolidated cellular entity	(1,270)			(1,929)		
Deferred income taxes	7,471			18,370		
Changes in current assets and current liabilities	10,413			13,622		
(Increase) decrease in other noncurrent assets	535			(4,401)		
Increase (decrease) in other noncurrent liabilities	3,080			(1,152)		
Retirement benefits	1,472			5,137		
Other, net	7,818			2,740		
Add: Capital expenditures	105,044			97,583		
	-----			-----		
Net cash provided by operating activities	\$ 254,456			232,436		
	=====			=====		

NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
(2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$2.2 million after-tax gain on sale of a separate non-operating investment.
(3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
(4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).

CenturyTel, Inc.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(UNAUDITED)

In thousands	Nine months ended September 30, 2005			Nine months ended September 30, 2004		
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items
Operating cash flow and cash flow margin						
Operating income	\$ 563,984	(5,853) (1)	569,837	564,337	9,708 (3)	554,629
Add: Depreciation and amortization	396,153	-	396,153	371,600	(13,221) (3)	384,821
Operating cash flow	\$ 960,137	(5,853)	965,990	935,937	(3,513)	939,450
Revenues	\$ 1,858,780	-	1,858,780	1,801,138	(3,513) (3)	1,804,651
Operating income margin (operating income divided by revenues)	30.3%		30.7%	31.3%		30.7%
Operating cash flow margin (operating cash flow divided by revenues)	51.7%		52.0%	52.0%		52.1%
Free cash flow (prior to debt service requirements and dividends)						
Net income	\$ 256,145	(7,941) (2)	264,086	252,755	5,057 (4)	247,698
Add: Depreciation and amortization	396,153	-	396,153	371,600	(13,221) (3)	384,821
Less: Capital expenditures	(281,958)	-	(281,958)	(253,597)	-	(253,597)
Free cash flow	\$ 370,340	(7,941)	378,281	370,758	(8,164)	378,922
Free cash flow	\$ 370,340			370,758		
Income from unconsolidated cellular entity	(3,307)			(6,114)		
Deferred income taxes	33,418			75,408		
Changes in current assets and current liabilities	29,367			45,892		
Increase in other noncurrent assets	(4,207)			(26,555)		
Increase (decrease) in other noncurrent liabilities	2,496			(4,696)		
Retirement benefits	13,989			23,000		
Other, net	9,315			4,504		
Add: Capital expenditures	281,958			253,597		
Net cash provided by operating activities	\$ 733,369			735,794		

NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
(2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment, a \$3.7 million after-tax expense related to purchasing and retiring approximately \$400 million of Series J notes and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$3.3 million net benefit related to the settlement of various income tax audits and a \$2.2 million after-tax gain on sale of non-operating investment.
(3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
(4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).