

CENTURYTEL INC

FORM 10-Q (Quarterly Report)

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Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
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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 10-Q

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

For the quarterly period ended September 30, 2000

or

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

Commission File Number: 1-7784

CenturyTel, Inc.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)

72-0651161
(I.R.S. Employer
Identification No.)

100 CenturyTel Drive, Monroe, Louisiana 71203
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

As of October 31, 2000, there were 140,647,755 shares of common stock outstanding.

CenturyTel, Inc.

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PART I. FINANCIAL INFORMATION

CenturyTel, Inc. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
	(Dollars, except per share amounts, and shares expressed in thousands)			
OPERATING REVENUES				
Telephone	\$ 324,608	273,644	877,622	836,814
Wireless	120,232	111,652	331,778	320,245
Other	37,794	33,909	109,346	93,152
Total operating revenues	482,634	419,205	1,318,746	1,250,211
OPERATING EXPENSES				
Cost of sales and operating expenses	235,835	204,846	665,053	598,611
Depreciation and amortization	99,740	84,300	270,320	260,293
Total operating expenses	335,575	289,146	935,373	858,904
OPERATING INCOME	147,059	130,059	383,373	391,307
OTHER INCOME (EXPENSE)				
Interest expense	(48,904)	(34,997)	(120,213)	(114,725)
Income from unconsolidated cellular entities	11,366	10,801	19,382	26,913
Minority interest	(2,889)	(3,460)	(8,052)	(25,560)
Gain on sale of assets	10,683	1,201	20,593	51,160
Other income and expense	(4,065)	1,108	2,548	6,722
Total other income (expense)	(33,809)	(25,347)	(85,742)	(55,490)
INCOME BEFORE INCOME TAX EXPENSE	113,250	104,712	297,631	335,817
Income tax expense	46,026	40,183	123,278	156,721
NET INCOME	\$ 67,224	64,529	174,353	179,096
BASIC EARNINGS PER SHARE	\$.48	.46	1.24	1.29
DILUTED EARNINGS PER SHARE	\$.47	.46	1.23	1.27

DIVIDENDS PER COMMON SHARE	\$.0475	.045	.1425	.135
AVERAGE BASIC SHARES OUTSTANDING	140,220	139,085	139,989	138,668
AVERAGE DILUTED SHARES OUTSTANDING	141,848	141,504	141,769	141,331

See accompanying notes to consolidated financial statements.

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
(Dollars in thousands)				
Net income	\$ 67,224	64,529	174,353	179,096
Other comprehensive income, net of tax:				
Unrealized holding gains (losses) arising during period, net of (\$15,102), \$1,230, (\$17,796) and \$3,659 tax	(28,047)	2,284	(33,050)	6,796
Reclassification adjustment for gains included in net income, net of \$3,625 tax	-	-	-	(6,733)
Other comprehensive income, net of (\$15,102), \$1,230, (\$17,796), and \$34 tax	(28,047)	2,284	(33,050)	63
Comprehensive income	\$ 39,177	66,813	141,303	179,159

See accompanying notes to consolidated financial statements.

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2000	December 31, 1999
(Dollars in thousands)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 71,645	56,640
Accounts receivable, less allowance of \$9,256 and \$4,150	258,591	193,057
Materials and supplies, at average cost	30,040	28,769
Other	10,703	7,607
	370,979	286,073
NET PROPERTY, PLANT AND EQUIPMENT	2,891,787	2,256,458
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired, less accumulated amortization of \$201,252 and \$165,327	2,523,254	1,644,884
Other	524,862	517,992
	3,048,116	2,162,876
	\$ 6,310,882	4,705,407
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 76,204	62,098
Notes payable to banks	273,000	-

Accounts payable	129,851	78,450
Accrued expenses and other liabilities		
Salaries and benefits	40,521	34,570
Taxes	56,194	40,999
Interest	24,063	37,232
Other	25,599	22,172
Advance billings and customer deposits	40,353	33,656
	665,785	309,177
LONG-TERM DEBT	3,129,988	2,078,311
DEFERRED CREDITS AND OTHER LIABILITIES	531,657	469,927
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, 350,000,000 shares authorized, 140,641,944 and 139,945,920 shares issued and outstanding	140,642	139,946
Paid-in capital	505,999	493,432
Accumulated other comprehensive income-unrealized holding gain on investments, net of taxes	31,312	64,362
Retained earnings	1,301,274	1,146,967
Unearned ESOP shares	(3,750)	(4,690)
Preferred stock - non-redeemable	7,975	7,975
	1,983,452	1,847,992
	\$ 6,310,882	4,705,407

See accompanying notes to consolidated financial statements.

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Nine months ended September 30,	
	2000	1999
	(Dollars in thousands)	
COMMON STOCK		
Balance at beginning of period	\$ 139,946	138,083
Conversion of convertible securities into common stock	254	330
Issuance of common stock through dividend reinvestment, incentive and benefit plans	442	1,259
Balance at end of period	140,642	139,672
PAID-IN CAPITAL		
Balance at beginning of period	493,432	451,535
Conversion of convertible securities into common stock	3,046	2,918
Issuance of common stock through dividend reinvestment, incentive and benefit plans	8,346	16,192
Amortization of unearned compensation and other	1,175	938
Balance at end of period	505,999	471,583
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance at beginning of period	64,362	7,217
Change in unrealized holding gain on investments, net of reclassification adjustment	(33,050)	63
Balance at end of period	31,312	7,280
RETAINED EARNINGS		
Balance at beginning of period	1,146,967	932,611
Net income	174,353	179,096
Cash dividends declared		
Common stock - \$.1425 and \$.135 per share, respectively	(19,747)	(18,733)
Preferred stock	(299)	(304)

Balance at end of period	1,301,274	1,092,670

UNEARNED ESOP SHARES		
Balance at beginning of period	(4,690)	(6,070)
Release of ESOP shares	940	1,130

Balance at end of period	(3,750)	(4,940)

PREFERRED STOCK - NON-REDEEMABLE		
Balance at beginning of period	7,975	8,106
Conversion of preferred stock into common stock	-	(131)

Balance at end of period	7,975	7,975

TOTAL STOCKHOLDERS' EQUITY	\$ 1,983,452	1,714,240
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See accompanying notes to consolidated financial statements.

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine months ended September 30,	
	2000	1999

	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	\$ 174,353	179,096
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	270,320	260,293
Deferred income taxes	9,857	6,557
Income from unconsolidated cellular entities	(19,382)	(26,913)
Minority interest	8,052	25,560
Gain on sale of assets	(20,593)	(51,160)
Changes in current assets and current liabilities (exclusive of acquisitions and dispositions):		
Accounts receivable	(33,678)	(37,145)
Accounts payable	51,217	17,460
Accrued taxes	15,204	(60,659)
Other current assets and other current liabilities, net	(6,400)	(6,953)
Changes in other noncurrent assets	(37,182)	(26,922)
Changes in other noncurrent liabilities	3,197	(5,941)
Other, net	22,514	17,229

Net cash provided by operating activities	437,479	290,502

INVESTING ACTIVITIES		
Payments for property, plant and equipment	(282,681)	(236,998)
Acquisitions, net of cash acquired	(1,540,856)	(16,771)
Proceeds from sales of assets	29,495	453,916
Distributions from unconsolidated cellular entities	23,115	16,315
Contribution from minority investor	20,000	-
Purchase of life insurance investment, net	(4,691)	(2,545)
Other, net	2,495	(2,221)

Net cash provided by (used in) investing activities	(1,753,123)	211,696

FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,240,646	64,551
Payments of long-term debt	(171,001)	(532,535)
Notes payable	273,000	-
Proceeds from issuance of common stock	7,252	15,055
Cash dividends	(20,046)	(19,037)
Other, net	798	1,259

Net cash provided by (used in) financing activities	1,330,649	(470,707)

Net increase in cash and cash equivalents	15,005	31,491

Cash and cash equivalents at beginning of period	56,640	5,742

Cash and cash equivalents at end of period	\$ 71,645	37,233
=====		
Supplemental cash flow information:		
Income taxes paid	\$ 107,401	223,659
Interest paid (net of capitalized interest of \$2,887 and \$1,666)	\$ 130,495	126,750

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2000
(UNAUDITED)

(1) Basis of Financial Reporting

The consolidated financial statements of CenturyTel, Inc. and its subsidiaries (the "Company") include the accounts of CenturyTel, Inc. ("CenturyTel") and its majority-owned subsidiaries and partnerships. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission; however, the Company believes the disclosures which are made are adequate to make the information presented not misleading. The consolidated financial statements and footnotes included in this Form 10-Q should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. Certain 1999 amounts have been reclassified to be consistent with the Company's 2000 presentation, including the reclassification of the Company's Internet operations from the telephone segment to other operations.

The unaudited financial information for the three months and nine months ended September 30, 2000 and 1999 has not been audited by independent public accountants; however, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the three-month and nine-month periods have been included therein. The results of operations for the first nine months of the year are not necessarily indicative of the results of operations which might be expected for the entire year.

(2) Net Property, Plant and Equipment

Net property, plant and equipment is composed of the following:

	September 30, 2000	December 31, 1999

	(Dollars in thousands)	
Telephone, at original cost	\$ 4,901,664	3,439,469
Accumulated depreciation	(2,491,524)	(1,605,553)

	2,410,140	1,833,916

Wireless, at cost	503,215	472,725
Accumulated depreciation	(249,813)	(217,056)

	253,402	255,669

Other operations, at cost	362,057	281,713
Accumulated depreciation	(133,812)	(114,840)

	228,245	166,873

	\$ 2,891,787	2,256,458
=====		

(3) Income from Unconsolidated Cellular Entities

The following summarizes the unaudited combined results of operations of the cellular entities in which the Company's investments (as of September 30, 2000 and 1999) were accounted for by the equity method:

	Nine months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Results of operations		
Revenues	\$ 907,235	995,973
Operating income	\$ 264,495	310,332
Net income	\$ 252,931	309,141

(4) Sales of Assets

In the first quarter of 2000 the Company recorded a pre-tax gain aggregating \$9.9 million (\$5.2 million after-tax) due to the sale of its remaining Alaska cellular operations.

In the third quarter of 2000 the Company recorded a pre-tax gain aggregating \$10.7 million (\$6.4 million after-tax) due to the sale of its minority interest in a cellular partnership.

In the first quarter of 1999 the Company recorded a pre-tax gain aggregating \$10.4 million (\$6.7 million after-tax) due to the sale of its remaining common shares of MCIWorldCom, Inc.

In May 1999, the Company sold the stock of substantially all of its Alaska-based operations in exchange for approximately \$300 million in after-tax cash. No gain or loss was recorded upon the disposition of these properties.

In June 1999, the Company sold the assets of its cellular operations in Brownsville and McAllen, Texas to Western Wireless Corporation for approximately \$96 million cash. In connection therewith, the Company recorded a pre-tax gain of approximately \$39.6 million, and an after-tax loss of approximately \$7.8 million.

(5) Recently Completed Acquisitions

On July 31, 2000 and September 29, 2000, affiliates of the Company acquired over 490,000 telephone access lines and related assets from Verizon Communications, Inc. (successor to GTE Corporation) ("Verizon") in four separate transactions for approximately \$1.5 billion in cash. The Company has made preliminary estimates of the fair value and useful lives of Verizon's noncurrent assets and liabilities. Such estimates are subject to change upon completion of the purchase price allocation. Under these transactions:

- o On July 31, 2000, the Company purchased approximately 231,000 telephone access lines and related local exchange assets comprising 106 exchanges throughout Arkansas for approximately \$841 million in cash.

- o On July 31, 2000, Spectra Communications Group, LLC ("Spectra") purchased approximately 127,000 telephone access lines and related local exchange assets comprising 107 exchanges throughout Missouri for approximately \$296 million cash. The Company owns 57.1% of Spectra, which was organized to acquire and operate these Missouri properties. At closing, the Company made a preferred equity investment in Spectra of approximately \$55 million and financed substantially all of the remainder of the purchase price.

- o On September 29, 2000, the Company purchased approximately 70,500 telephone access lines and related local exchange assets comprising 42 exchanges throughout Wisconsin for approximately \$194 million in cash.

- o On September 29, 2000, Telephone USA of Wisconsin, LLC ("TelUSA") purchased approximately 62,900 telephone access lines and related local exchange assets comprising 35 exchanges throughout Wisconsin for approximately \$170 million in cash. The Company owns 89% of Telephone USA, which was organized to acquire and own these Wisconsin properties. At closing, the Company made an equity investment in TelUSA of approximately \$37.8 million and financed substantially all of the remainder of the purchase price.

The purchase prices discussed above reflect various post-closing adjustments made to date. Any remaining adjustments are not expected to be material.

To finance these acquisitions on a short-term basis, the Company borrowed \$1.157 billion on a floating-rate basis under its new \$1.5 billion credit facility with Bank of America, N.A. and Citibank, N.A., as lenders, and Banc of America Securities LLC and Salomon Smith Barney Inc., as arrangers, and borrowed \$300 million on a floating-rate basis under its existing credit facility with Bank of America, N.A.

On October 19, 2000, the Company issued \$500 million of 8.375% Senior Notes, Series H, due 2010, and \$400 million of 7.75% Remarketable Senior Notes, Series I, due 2012 (with a remarketing date of October 15, 2002) under its \$2.0 billion shelf registration statement filed in May 2000. The net proceeds of approximately \$908 million were used to repay a portion of the \$1.457 billion of aggregate indebtedness the Company incurred under its credit facilities in connection with the Verizon acquisitions.

The following pro forma information represents the consolidated results of operations of the Company as if the Verizon acquisitions had been consummated as of January 1, 2000 and 1999.

	Nine months ended September 30,	
	2000	1999
	(Dollars, except per share amounts, in thousands)	
Operating revenues	\$ 1,527,018	1,504,703
Net income	\$ 153,215	148,263
Basic earnings per share	\$ 1.09	1.07
Diluted earnings per share	\$ 1.08	1.05

The pro forma information is not necessarily indicative of the operating results that would have occurred if the Verizon acquisitions had been consummated as of January 1 of each respective period, nor is it necessarily indicative of future operating results. The pro forma information does not give effect to any potential revenue enhancements or cost synergies or other operating efficiencies that could result from the acquisitions. The actual results of operations of the Verizon properties are included in the Company's consolidated financial statements only from the date of acquisition.

(6) Business Segments

The Company has two separately reportable business segments: telephone and wireless. The operating income of these segments is reviewed by the chief operating decision maker to assess performance and make business decisions. Other operations include, but are not limited to, the Company's long distance operations, Internet operations, call center operations (which ceased operations in the third quarter of 2000) and security monitoring operations.

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
	(Dollars in thousands)			
Operating revenues				
Telephone segment	\$ 324,608	273,644	877,622	836,814
Wireless segment	120,232	111,652	331,778	320,245
Other operations	37,794	33,909	109,346	93,152
	\$ 482,634	419,205	1,318,746	1,250,211
Operating income				
Telephone segment	\$ 99,753	81,608	267,099	260,275
Wireless segment	39,280	40,705	91,983	111,797
Other operations	8,026	7,746	24,291	19,235
	\$ 147,059	130,059	383,373	391,307
Operating income	\$ 147,059	130,059	383,373	391,307
Interest expense	(48,904)	(34,997)	(120,213)	(114,725)
Income from unconsolidated cellular entities	11,366	10,801	19,382	26,913
Minority interest	(2,889)	(3,460)	(8,052)	(25,560)
Gain on sale of assets	10,683	1,201	20,593	51,160
Other income and expense	(4,065)	1,108	2,548	6,722
Income before income tax expense	\$ 113,250	104,712	297,631	335,817

	September 30, 2000	December 31, 1999
	(Dollars in thousands)	
Total assets		
Telephone segment	\$ 4,725,490	3,246,290
Wireless segment	1,205,270	1,184,129
Other operations	380,122	274,988
Total assets	\$ 6,310,882	4,705,407

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included herein should be read in conjunction with MD&A and the other information included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. The results of operations for the three months and nine months ended September 30, 2000 are not necessarily indicative of the results of operations which might be expected for the entire year.

CenturyTel, Inc. and its subsidiaries (the "Company") is a regional diversified communications company that is primarily engaged in providing local telephone services and wireless telephone communications services. At September 30, 2000, the Company's local exchange telephone subsidiaries operated over 1.8 million telephone access lines primarily in rural, suburban and small urban areas in 21 states, and the Company's majority-owned and operated wireless entities had more than 741,000 subscribers. On July 31, 2000 and September 29, 2000, affiliates of the Company acquired over 490,000 telephone access lines and related local exchange assets in Arkansas, Missouri and Wisconsin from Verizon Communications, Inc. ("Verizon") for an aggregate of approximately \$1.5 billion cash. The operations of these acquired properties are included in the Company's results of operations beginning on the respective dates of acquisition. On May 14, 1999, the Company sold substantially all of its Alaska-based operations serving approximately 134,900 telephone access lines and 3,000 cellular subscribers. On June 1, 1999, the Company sold the assets of its Brownsville and McAllen, Texas cellular operations serving approximately 7,500 cellular subscribers. In February 2000, the Company sold the assets of its remaining Alaskan cellular operations serving approximately 10,600 cellular subscribers. The operations of these disposed properties are included in the Company's results of operations up to the respective dates of disposition.

In addition to historical information, management's discussion and analysis includes certain forward-looking statements regarding events and financial trends that may affect the Company's future operating results and financial position. Such forward-looking statements 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 Company's ability to effectively manage its growth, including integrating newly-acquired businesses into the Company's operations, hiring adequate numbers of qualified staff and successfully upgrading its billing and other information systems; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the telecommunications industry; 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 product or service offerings on a timely and cost-effective basis; and the effects of more general factors such as changes in general market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the business are described in greater detail in Item 1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update any of its forward-looking statements for any reason.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2000 Compared to Three Months Ended September 30, 1999

Net income for the third quarter of 2000 was \$67.2 million compared to \$64.5 million during the third quarter of 1999. Diluted earnings per share increased to \$.47 during the three months ended September 30, 2000 from \$.46 during the three months ended September 30, 1999, a 2.2% increase. Net income (and diluted earnings per share) excluding the after-tax effect of asset sales for the third quarter of 2000 and 1999 was \$60.8 million (\$.43) and \$63.8 million (\$.45), respectively.

	Three months ended September 30,	
	2000	1999
	(Dollars, except per share amounts, and shares in thousands)	
Operating income		
Telephone	\$ 99,753	81,608
Wireless	39,280	40,705
Other	8,026	7,746
	147,059	130,059
Interest expense	(48,904)	(34,997)
Income from unconsolidated cellular entities	11,366	10,801
Minority interest	(2,889)	(3,460)
Gain on sale of assets	10,683	1,201
Other income and expense	(4,065)	1,108
Income tax expense	(46,026)	(40,183)
Net income	\$ 67,224	64,529
Basic earnings per share	\$.48	.46
Diluted earnings per share	\$.47	.46
Average basic shares outstanding	140,220	139,085
Average diluted shares outstanding	141,848	141,504

Contributions to operating revenues and operating income by the Company's telephone, wireless, and other operations for the three months ended September 30, 2000 and 1999 were as follows:

Three months ended September 30,		
	2000	1999
Operating revenues		
Telephone operations	67.3%	65.3
Wireless operations	24.9%	26.6
Other operations	7.8%	8.1
Operating income		
Telephone operations	67.8%	62.7
Wireless operations	26.7%	31.3
Other operations	5.5%	6.0
Telephone Operations		
Three months ended September 30,		
	2000	1999
(Dollars in thousands)		
Operating revenues		
Local service	\$ 106,304	86,010
Network access	187,254	159,682
Other	31,050	27,952
	324,608	273,644
Operating expenses		
Plant operations	76,086	64,076
Customer operations	28,623	21,398
Corporate and other	37,766	40,548
Depreciation and amortization	82,380	66,014
	224,855	192,036
Operating income	\$ 99,753	81,608

Telephone operating income increased \$18.1 million (22.2%) due to an increase in operating revenues of \$51.0 million (18.6%) which was partially offset by an increase in operating expenses of \$32.8 million (17.1%).

Of the \$51.0 million increase in operating revenues, \$41.0 million was attributable to the properties acquired from Verizon. The remaining \$10.0 million increase in revenues was partially due to a \$4.4 million increase in local network service revenues primarily due to an increase in the number of customer access lines in incumbent markets; a \$4.6 million increase in amounts received from the federal Universal Service Fund; and a \$1.4 million increase due to the increased provision of custom calling features.

Plant operations expenses increased \$12.0 million (18.7%) of which \$14.3 million was attributable to the properties acquired from Verizon and \$1.2 million was due to an increase in engineering expenses. These increases were partially offset by a \$2.4 million decrease in access expenses primarily due to non-recurring retroactive changes in revenue settlement methods recorded in 1999 of certain telephone subsidiaries in a limited number of states.

Customer operations expenses increased \$7.2 million (33.8%) of which \$5.6 million was due to the properties acquired from Verizon. The remaining \$1.6 million increase was primarily due to a \$1.0 million increase in salaries and benefits and a \$1.1 million increase in information technology expenses.

Corporate and other expenses decreased \$2.8 million (6.9%) primarily due to a \$4.0 million decrease in contract labor expenses primarily associated with costs incurred in 1999 attributable to readying the Company's systems to be year 2000 compliant; a \$1.3 million decrease in salaries and benefits; a \$1.3 million decrease in information technology expenses; and a \$2.4 million decrease in operating taxes. Such decreases were partially offset by a \$3.0 million increase due to the properties acquired from Verizon and a \$4.4 million increase in the provision for doubtful accounts.

Depreciation and amortization increased \$16.4 million (24.8%) of which \$14.3 million was attributable to the properties acquired from Verizon (which included \$2.8 million of amortization of goodwill). The remainder of the increase was primarily due to higher levels of plant in service.

Wireless Operations and Income From Unconsolidated Cellular Entities

	Three months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating income - wireless operations	\$ 39,280	40,705
Minority interest	(3,657)	(3,449)
Income from unconsolidated cellular entities	11,366	10,801
	\$ 46,989	48,057

The Company's wireless operations (discussed below) reflect 100% of the results of operations of the cellular entities in which the Company has a majority ownership interest. The minority interest owners' share of the income of such entities is reflected in the Company's Consolidated Statements of Income as an expense in "Minority interest." The Company's share of earnings from the cellular entities in which it has less than a majority interest is accounted for using the equity method and is reflected in the Company's Consolidated Statements of Income as "Income from unconsolidated cellular entities." See Income from Unconsolidated Cellular Entities for additional information.

Wireless Operations

	Three months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Service revenues	\$ 116,862	109,318
Equipment sales	3,370	2,334
	120,232	111,652
Operating expenses		
Cost of equipment sold	7,192	4,200
System operations	19,749	13,864
General, administrative and customer service	18,796	22,128
Sales and marketing	19,081	13,588
Depreciation and amortization	16,134	17,167
	80,952	70,947
Operating income	\$ 39,280	40,705

Wireless operating income decreased \$1.4 million (3.5%) to \$39.3 million in the third quarter of 2000 from \$40.7 million in the third quarter of 1999. Wireless operating revenues increased \$8.6 million (7.7%) while operating expenses increased \$10.0 million (14.1%).

The \$7.5 million increase in service revenues was primarily due to a \$9.3 million increase in local service revenues primarily due to a growth in the number of customers and increased minutes of use per customer, both of which were partially offset by reduced rates. Such increase was partially offset by a \$1.7 million decrease due to the Company's sale of its remaining Alaska cellular properties. The Company's roaming revenues were approximately the same in third quarter 2000 and third quarter 1999 as revenues generated from increased roaming minutes of use were completely offset by a reduction in roaming rates, a downward trend in rates that the Company anticipates will continue in the near future.

The following table illustrates the Company's wireless customer base in its majority-owned markets:

	Three months ended September 30,	
	2000	1999
Customers at beginning of period	749,400	641,440

Gross units added internally	75,346	60,513
Disconnects	83,563	51,054
Net units added (disconnected)	(8,217)	9,459
Customers at end of period	741,183	650,899
Average monthly churn rate (excluding prepaid customers)	1.93%	2.05

The average monthly service revenue per customer declined to \$52 during the third quarter of 2000 from \$57 during the third quarter of 1999 primarily due to price reductions and the continued trend that a higher percentage of new subscribers tend to be lower usage customers. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated; (ii) as the Company continues to receive pressure from other cellular operators to reduce roaming rates and (iii) as competitive pressures from current and future wireless communications providers intensify. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, most of which are likely to result in lower average revenue per customer.

During the third quarter of 2000, the Company added approximately 21,900 net contract customers while approximately 30,100 net prepaid customers were disconnected. The Company will continue to focus on adding contract customers while decreasing its focus on prepaid plans for future customer growth.

Cost of equipment sold increased \$3.0 million (71.2%) substantially due to an increase in units sold and an increase in average price per unit.

System operations expenses increased \$5.9 million (42.4%) in the third quarter of 2000 primarily due to a \$2.3 million increase in toll expenses due to nonrecurring favorable adjustments recorded in the third quarter of 1999; a \$1.7 million increase in the amounts paid to other carriers for service provided to the Company's customers who roam in the other carriers' service areas and a \$1.6 million increase associated with operating a greater number of cell sites.

General, administrative and customer service expenses decreased \$3.3 million (15.1%) due to a \$1.6 million decrease in allocated general office expenses and a \$900,000 decrease in certain operating taxes.

Sales and marketing expenses increased \$5.5 million (40.4%) primarily due to a \$2.3 million increase in sales commissions paid to agents due to an increase in the number of units sold and an \$862,000 increase in sales promotion expenses.

Depreciation and amortization decreased \$1.0 million (6.0%) primarily due to nonrecurring adjustments in the third quarter of 1999.

Other Operations

	Three months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Long distance	\$ 27,075	22,602
Internet	6,138	3,708
Call center	567	3,352
Other	4,014	4,247
	37,794	33,909
Operating expenses		
Cost of sales and operating expenses	28,542	25,044
Depreciation and amortization	1,226	1,119
	29,768	26,163
Operating income	\$ 8,026	7,746

Other operations include the results of operations of subsidiaries of the Company which are not included in the telephone or wireless segments, including, but not limited to, the Company's long distance operations, Internet operations, call center operations (which ceased operations in the third quarter of 2000) and security monitoring operations. The \$4.5 million increase in long distance revenues was primarily attributable to the growth in the number of customers and increased minutes of use per customer. The number of long distance customers as of September 30, 2000 and 1999 was 347,200 and 285,500, respectively. Internet revenues increased \$2.4 million due primarily to a \$1.4 million increase due to growth in the number of customers and a \$863,000 increase due to Internet operations acquired subsequent to the third quarter of 1999. The \$2.8 million decrease in call center revenues was due to the planned phase-out of the Company's third party call center operations during 2000.

Cost of sales and operating expenses increased \$3.5 million due to a \$5.3 million increase in expenses of the Company's long distance and Internet operations primarily due to the increase in the number of customers. Such increase was partially offset by a \$2.8 million reduction in expenses due to the winding down of the Company's call center operations.

The Company anticipates that the growth of operating income for its other operations will slow in future periods as it incurs increasingly larger expenses in connection with expanding its emerging fiber network and competitive local exchange businesses.

Interest Expense

Interest expense increased \$13.9 million in the third quarter of 2000 compared to the third quarter of 1999 primarily due to increased debt due to the Verizon acquisitions. See Note 5 of Notes to Consolidated Financial Statements for additional information.

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$565,000 (5.2%) due to increased earnings of cellular entities in which the Company owns a minority interest.

Minority Interest

Minority interest is the expense recorded by the Company to reflect the minority interest owners' share of the earnings or loss of the Company's majority-owned and operated cellular entities and majority-owned subsidiaries. Minority interest decreased \$571,000 during the third quarter of 2000 compared to the third quarter of 1999 primarily due to the minority partners' share of the loss incurred by certain of the operations acquired from Verizon by CenturyTel's majority-owned affiliates.

Gain on Sale of Assets

During the third quarter of 2000, the Company recorded a pre-tax gain of approximately \$10.7 million (\$6.4 million after-tax; \$.05 per diluted share) due to sale of its minority interest in a cellular partnership.

Other Income and Expense

Other income and expense for the third quarter of 2000 was a \$4.1 million expense compared to a \$1.1 million income for the third quarter of 1999. Such decrease was primarily attributable to a \$7.9 million charge related to the settlement of certain interest rate hedge contracts entered into in connection with the Verizon acquisitions. This decrease was partially offset by a \$1.2 million increase in interest income.

Income Tax Expense

Income tax expense increased \$5.8 million in the third quarter of 2000 compared to the third quarter of 1999. The effective income tax rate was 40.6% and 38.4% in the three months ended September 30, 2000 and 1999, respectively. During the third quarter of 1999, the Company recorded a \$2.5 million state tax benefit relating to a loss carryback that was utilized to recoup taxes paid in a previous year.

Nine Months Ended September 30, 2000 Compared to Nine Months Ended September 30, 1999

Net income (and diluted earnings per share) for the first nine months of 2000 and 1999 was \$174.4 million (\$1.23) and \$179.1 million (\$1.27), respectively. Net income (excluding the after-tax effect of asset sales) for the first nine months of 2000 was \$162.7 million compared to \$179.4 million during the first nine months of 1999. Diluted earnings per share (excluding the after-tax effect of asset sales) decreased to \$1.15 during the nine months ended September 30, 2000 from \$1.27 during the nine months ended September 30, 1999, a 9.4% decrease.

	Nine months ended September 30,	
	2000	1999
	(Dollars, except per share amounts, and shares in thousands)	
Operating income		
Telephone	\$ 267,099	260,275
Wireless	91,983	111,797
Other	24,291	19,235
	383,373	391,307
Interest expense	(120,213)	(114,725)
Income from unconsolidated cellular entities	19,382	26,913
Minority interest	(8,052)	(25,560)
Gain on sale of assets	20,593	51,160
Other income and expense	2,548	6,722

Income tax expense	(123,278)	(156,721)
Net income	\$ 174,353	179,096
Basic earnings per share	\$ 1.24	1.29
Diluted earnings per share	\$ 1.23	1.27
Average basic shares outstanding	139,989	138,668
Average diluted shares outstanding	141,769	141,331

Contributions to operating revenues and operating income by the Company's telephone, wireless, and other operations for the nine months ended September 30, 2000 and 1999 were as follows:

	Nine months ended September 30,	
	2000	1999
Operating revenues		
Telephone operations	66.5%	66.9
Wireless operations	25.2%	25.6
Other operations	8.3%	7.5
Operating income		
Telephone operations	69.7%	66.5
Wireless operations	24.0%	28.6
Other operations	6.3%	4.9

Telephone Operations

	Nine months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 284,896	266,119
Network access	510,440	482,626
Other	82,286	88,069
	877,622	836,814
Operating expenses		
Plant operations	198,625	188,226
Customer operations	76,893	66,039
Corporate and other	117,634	116,305
Depreciation and amortization	217,371	205,969
	610,523	576,539
Operating income	\$ 267,099	260,275

Telephone operating income increased \$6.8 million (2.6%) due to an increase in operating revenues of \$40.8 million (4.9%) which more than offset an increase in operating expenses of \$34.0 million (5.9%).

Of the \$40.8 million increase in operating revenues, \$41.0 million was attributable to the properties acquired from Verizon in the third quarter of 2000, which was offset by a \$42.9 million decrease due to the sale of the Alaska properties in the second quarter of 1999. The remaining \$42.7 million increase in revenues was primarily due to a \$13.7 million net increase due to the partial recovery of increased operating costs through revenue sharing arrangements with other telephone companies, increased minutes of use, increased recovery from state support funds and return on rate base; a \$13.3 million increase in local network service revenues primarily due to an increase in the number of customer access lines; a \$12.7 million increase in amounts received from the federal Universal Service Fund; and a \$4.2 million increase in revenues associated with the provision of custom calling features.

During the first nine months of 2000, the Company incurred aggregate operating expenses of approximately \$19.7 million associated with pending Verizon acquisitions, two of which closed on July 31, 2000 and the remaining two of which closed on September 29, 2000. These expenses consisted of (i) approximately \$8.8 million of variable overhead costs that were intentionally not eliminated subsequent to the disposition of the Alaska properties in 1999 and early 2000 due to the pending Verizon acquisitions and (ii) approximately \$10.9 million of

expenses associated with readying the Company's systems and staff to integrate the Verizon operations into the Company's operations immediately upon closing each transaction.

Plant operations expenses increased \$10.4 million (5.5%) of which \$14.3 million was attributable to the properties acquired from Verizon, which was more than offset by a \$15.5 million decrease due to the sale of the Company's Alaska properties. The remaining \$11.6 million increase was primarily due to a \$5.1 million increase in salaries and benefits; a \$1.1 million increase in information technology expenses; a \$1.3 million increase in access expenses primarily due to changes in revenue settlement methods of certain telephone subsidiaries in a limited number of states; and a \$3.0 million increase in network operations and engineering expenses.

Customer operations expenses increased \$10.9 million (16.4%) of which \$5.6 million was attributable to the properties acquired from Verizon, which was partially offset by a \$4.4 million decrease due to the sale of the Alaska properties. The remaining \$9.7 million increase was primarily due to a \$3.7 million increase in information technology expenses and a \$3.4 million increase in salaries and benefits.

Corporate and other expenses increased \$1.3 million (1.1%) of which \$10.0 million was due to the properties acquired from Verizon partially offset by a \$5.4 million decrease due to the sale of the Alaska properties. The remaining \$3.3 million decrease was primarily due to a \$6.4 million decrease in operating taxes and a \$4.6 million decrease in contract labor expenses primarily associated with costs incurred in 1999 attributable to readying the Company's systems to be year 2000 compliant. Such decreases were partially offset by a \$6.9 million increase in the provision for doubtful accounts.

Depreciation and amortization increased \$11.4 million, of which \$14.3 million was attributable to the properties acquired from Verizon (which included \$2.8 million of amortization of goodwill) and \$7.5 million was primarily due to higher levels of plant in service. Such increases were partially offset by a \$10.6 million reduction resulting from the sale of the Company's Alaska properties.

Wireless Operations and Income From Unconsolidated Cellular Entities

	Nine months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating income - wireless operations	\$ 91,983	111,797
Minority interest, exclusive of the effect of asset sales in 1999	(8,783)	(10,611)
Income from unconsolidated cellular entities	19,382	26,913
	\$ 102,582	128,099

The Company's wireless operations (discussed below) reflect 100% of the results of operations of the cellular entities in which the Company has a majority ownership interest. The minority interest owners' share of the income of such entities is reflected in the Company's Consolidated Statements of Income as an expense in "Minority interest." See Minority Interest for additional information. The Company's share of earnings from the cellular entities in which it has less than a majority interest is accounted for using the equity method and is reflected in the Company's Consolidated Statements of Income as "Income from unconsolidated cellular entities." See Income from Unconsolidated Cellular Entities for additional information.

Wireless Operations

	Nine months ended September 30,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Service revenues	\$ 320,836	312,873
Equipment sales	10,942	7,372
	331,778	320,245
Operating expenses		
Cost of equipment sold	21,728	13,848
System operations	51,782	42,394
General, administrative and customer service	56,423	60,113
Sales and marketing	60,637	41,130
Depreciation and amortization	49,225	50,963
	239,795	208,448

Operating income	\$ 91,983	111,797
=====	=====	=====

Wireless operating income decreased \$19.8 million (17.7%) to \$92.0 million in the first nine months of 2000 from \$111.8 million in the first nine months of 1999. Wireless operating revenues increased \$11.5 million (3.6%) while operating expenses increased \$31.3 million (15.0%).

The \$8.0 million increase in service revenues was primarily due to a \$23.2 million increase in local service revenues primarily due to growth in the number of customers and increased minutes of use per customer, both of which were partially offset by reduced rates. Such increase was partially offset by

(i) a \$11.4 million decrease due to the sale of the Company's Texas and Alaska cellular properties and (ii) a \$3.8 million decrease in roaming revenue due to a reduction in roaming rates (which was partially offset by an increase in roaming minutes of use), a downward trend in rates that the Company anticipates will continue in the near future.

The following table illustrates the growth in the Company's wireless customer base in its majority owned markets:

	Nine months ended September 30,	
	2000	1999
Customers at beginning of period	707,486	624,290
Gross units added internally	247,014	174,466
Disconnects	202,664	137,294
Net units added	44,350	37,172
Effect of dispositions	(10,653)	(10,563)
Customers at end of period	741,183	650,899
Average monthly churn rate (excluding prepaid customers)	1.88%	1.99

The average monthly service revenue per customer declined to \$49 during the first nine months of 2000 from \$54 during the first nine months of 1999 primarily due to price reductions and the continued trend that a higher percentage of new subscribers tend to be lower usage customers. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated; (ii) as the Company continues to receive pressure from other cellular operators to reduce roaming rates and (iii) as competitive pressures from current and future wireless communications providers intensify. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, most of which are likely to result in lower average revenue per customer.

During the first nine months of 2000, the Company added approximately 56,300 net contract customers while approximately 11,900 net prepaid customers were disconnected. The Company will continue to focus on adding contract customers while decreasing its focus on prepaid plans for future customer growth.

Cost of equipment sold increased \$7.9 million (56.9%) primarily due to an increase in the number of units sold and an increase in average price per unit.

System operations expenses increased \$9.4 million (22.1%) in the first nine months of 2000 primarily due to a \$5.0 million increase associated with operating a greater number of cell sites; a \$1.3 million increase in the amounts paid to other carriers for service provided to the Company's customers who roam in the other carriers' service areas; and a \$2.6 million increase in toll costs.

General, administrative and customer service expenses decreased \$3.7 million (6.1%), of which \$2.4 million was attributable to a decrease in operating taxes and \$1.7 million was due to the sale of the Alaska and Texas properties.

Sales and marketing expenses increased \$19.5 million (47.4%) due primarily to a \$6.3 million increase in sales commissions paid to agents due to an increase in the number of units sold; a \$7.5 million increase in advertising and sales promotion expenses; and a \$3.3 million increase in costs incurred in selling products and services in retail locations primarily due to an increase in the number of retail locations.

Depreciation and amortization decreased \$1.7 million (3.4%), primarily due to the sale of the Alaska and Texas properties.

Other Operations

	Nine months ended September 30,	
	2000	1999

(Dollars in thousands)

Operating revenues		
Long distance	\$ 77,001	59,043
Internet	16,423	12,612
Call center	3,759	8,899
Other	12,163	12,598
	-----	-----
	109,346	93,152
	-----	-----
Operating expenses		
Cost of sales and operating expenses	81,331	70,556
Depreciation and amortization	3,724	3,361
	-----	-----
	85,055	73,917
	-----	-----
Operating income	\$ 24,291	19,235
	=====	=====

Other operations include the results of operations of subsidiaries of the Company which are not included in the telephone or wireless segments, including, but not limited to, the Company's long distance operations, Internet operations, call center operations (which ceased operations in the third quarter of 2000) and security monitoring operations. The \$18.0 million increase in long distance revenues was attributable to the growth in the number of customers and increased minutes of use per customer. The number of long distance customers as of September 30, 2000 and 1999 was 347,200 and 285,500, respectively. Internet revenues increased \$3.8 million due primarily to a \$3.5 million increase due to growth in the number of customers and a \$2.0 million increase due to Internet operations acquired in late 1999 and mid-2000. Such increases were partially offset by a \$2.3 million decrease due to the May 1999 sale of the Company's Alaska Internet operations. The \$5.1 million decrease in call center revenues was due to the planned phase-out of the Company's third-party call center operations during 2000.

Cost of sales and operating expenses increased \$10.8 million (15.3%) primarily due to an increase of \$9.6 million in expenses of the Company's long distance operations primarily due to increased minutes of use due to an increase in the number of customers and a \$6.3 million increase in expenses associated with expanding the Company's Internet operations. Such increases were partially offset by a \$4.0 million reduction in expenses due to the winding down of the Company's third party call center operations during 2000 and a \$2.6 million decrease due to the 1999 sale of the Company's Alaska Internet operations.

The Company anticipates that the growth of operating income for its other operations will slow in future periods as it incurs increasingly larger expenses in connection with expanding its fiber network and competitive local exchange carrier businesses.

Interest Expense

Interest expense increased \$5.5 million in the first nine months of 2000 compared to the first nine months of 1999. Interest expense incurred in 2000 related to the Verizon acquisitions indebtedness was \$13.5 million. Such increase was substantially offset by lower interest expense due to a decrease in outstanding indebtedness prior to the Verizon acquisitions.

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, decreased \$7.5 million (28.0%) in the first nine months of 2000 primarily due to the Company's proportionate share (\$5.3 million) of non-cash charges that were recorded in the first quarter of 2000 by two cellular entities in which the Company owns a minority interest. The remaining decrease was primarily due to decreased earnings of certain cellular entities in which the Company owns a minority interest.

Minority Interest

Minority interest is the expense recorded by the Company to reflect the minority interest owners' share of the earnings or loss of the Company's majority-owned and operated cellular entities and majority-owned subsidiaries. Minority interest decreased \$17.5 million during the first nine months of 2000 compared to the same period in 1999 primarily due to the minority partners' share of the gain on sale of assets of the Brownsville and McAllen, Texas cellular properties recorded in the first nine months of 1999. Excluding the effect of this gain, minority interest decreased \$2.6 million primarily due to the decreased profitability of the Company's majority-owned and operated cellular entities.

Gain on Sale of Assets

In the first nine months of 2000, the Company recorded pre-tax gains aggregating \$20.6 million. Approximately \$9.9 million (\$5.2 million after-tax; \$.04 per diluted share) was due to the sale of the assets of the Company's remaining Alaska cellular operations and approximately \$10.7 million (\$6.4 million after-tax; \$.05 per diluted share) was due to the sale of the Company's minority interest in a cellular partnership.

In the first nine months of 1999, the Company recorded pre-tax gains aggregating \$51.2 million. Approximately \$10.4 million of the pre-tax gains (\$6.7 million after-tax; \$.04 per diluted share) was due to the sale of the Company's remaining common shares of MCIWorldCom, Inc. Of

the remaining \$40.8 million, \$39.6 million of the pre-tax gains (\$7.8 million loss after-tax; (\$.05) per diluted share) was due to the sale of the Company's Brownsville and McAllen, Texas cellular properties. For additional information, see Note 4 of Notes to Consolidated Financial Statements and Minority Interest.

Other Income and Expense

Other income and expense decreased \$4.2 million in the first nine months of 2000 compared to the first nine months of 1999, primarily due to a \$7.9 million charge related to the settlement of certain interest rate hedge contracts entered into in connection with the Verizon acquisitions. Such decrease was partially offset by a \$3.7 million increase in interest income.

Income Tax Expense

Income tax expense decreased \$33.4 million in the first nine months of 2000 compared to the first nine months of 1999. Exclusive of the effects of income tax expense on asset sales, the effective income tax rate was 41.2% and 40.1% for the nine months ended September 30, 2000 and 1999, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Excluding cash used for acquisitions, the Company relies on cash provided by operations to provide a substantial portion of its cash needs. The Company's operations have historically provided a stable source of cash flow which has helped the Company continue its long-term program of capital improvements.

Net cash provided by operating activities was \$437.5 million during the first nine months of 2000 compared to \$290.5 million during the first nine months of 1999. The Company's accompanying consolidated statements of cash flows identify major differences between net income and net cash provided by operating activities for each of these periods. For additional information relating to the telephone operations, wireless operations, and other operations of the Company, see Results of Operations.

Net cash used in investing activities was \$1.753 billion for the nine months ended September 30, 2000. Net cash provided by investing activities was \$211.7 million for the nine months ended September 30, 1999. Cash used for acquisitions was \$1.541 billion in 2000 (substantially all of which relates to the Verizon acquisitions) compared to \$16.8 million in 1999. Proceeds from the sale of assets were \$29.5 million in the first nine months of 2000 compared to \$453.9 million in the first nine months of 1999. Payments for property, plant and equipment were \$45.7 million more in the first nine months of 2000 than in the comparable period during 1999. Capital expenditures for the nine months ended September 30, 2000 were \$157.8 million for telephone, \$38.9 million for wireless and \$85.9 million for other operations.

Revised budgeted capital expenditures for 2000 total \$235 million for telephone operations, \$65 million for wireless operations and \$125 million for other operations. Anticipated capital expenditures for 2001 are expected to be approximately \$525 million.

Net cash provided by (used in) financing activities was \$1.331 billion during the first nine months of 2000 compared to (\$470.7) million during the first nine months of 1999. Net proceeds from the issuance of debt were \$1.810 billion more during the first nine months of 2000 compared to the first nine months of 1999 primarily due to an increase in borrowings due to the purchase of assets from Verizon. In addition, payments of debt were higher in 1999 than in 2000 primarily due to the use of proceeds from the sale of assets.

On July 31, 2000 and September 29, 2000, affiliates of the Company acquired over 490,000 telephone access lines and related assets from Verizon Communications, Inc. (successor to GTE Corporation) ("Verizon") in four separate transactions for approximately \$1.5 billion in cash. See Note 5 of Notes to Consolidated Financial Statements for additional information. To finance these acquisitions on a short-term basis, the Company borrowed \$1.157 billion on a floating-rate basis under its new \$1.5 billion credit facility with Bank of America, N.A. and Citibank, N.A., as lenders, and Banc of America Securities LLC and Salomon Smith Barney Inc., as arrangers, and borrowed \$300 million on a floating-rate basis under its existing credit facility with Bank of America, N.A.

On October 19, 2000, the Company issued \$500 million of 8.375% Senior Notes, Series H, due 2010, and \$400 million of 7.75% Remarketable Senior Notes, Series I, due 2012 (with a remarketing date of October 15, 2002) under its \$2.0 billion shelf registration statement filed in May 2000. The net proceeds of approximately \$908 million were used to repay a portion of the \$1.457 billion of aggregate indebtedness the Company incurred under its credit facilities in connection with the Verizon acquisitions.

As of September 30, 2000, CenturyTel's telephone subsidiaries had available for use \$129.5 million of commitments for long-term financing from the Rural Utilities Service and the Company had \$327.1 million of undrawn committed bank lines of credit. In addition, in late October 2000 the Company implemented a commercial paper program that authorizes the Company to have outstanding up to \$1.5 billion in commercial paper at any one time.

As described further in Item 5 to this Report, the Company has agreed to sell certain operating licenses for an aggregate of \$205 million, which the Company expects to receive in installments during 2001 and 2002

On September 19, 2000, Moody's Investors Service ("Moody's") lowered CenturyTel's long-term debt rating to Baa2 (with a stable outlook)

from Baa1 and on September 20, 2000, Standard & Poor's ("S&P") affirmed its rating of CenturyTel's long-term debt of BBB+ (with a negative outlook). The Company's commercial paper program, initiated in late October 2000 is rated P2 by Moody's and A2 by S&P.

OTHER MATTERS

Accounting for the Effects of Regulation

The Company currently accounts for its regulated telephone operations in accordance with the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation." While the ongoing applicability of SFAS 71 to the Company's telephone operations is being monitored due to the changing regulatory, competitive and legislative environments, the Company believes that SFAS 71 still applies. However, it is possible that changes in regulation or legislation or anticipated changes in competition or in the demand for regulated services or products could result in the Company's telephone operations not being subject to SFAS 71 in the near future. In that event, implementation of Statement of Financial Accounting Standards No. 101 ("SFAS 101"), "Regulated Enterprises - Accounting for the Discontinuance of Application of FASB Statement No. 71," would require the write-off of previously established regulatory assets and liabilities, along with an adjustment of certain accumulated depreciation accounts to reflect the difference between recorded depreciation and the amount of depreciation that would have been recorded had the Company's telephone operations not been subject to rate regulation. Such discontinuance of the application of SFAS 71 would result in a material, noncash charge against earnings which would be reported as an extraordinary item. While the effect of implementing SFAS 101 cannot be precisely estimated at this time, management believes that the noncash, after-tax, extraordinary charge would be between \$320 million and \$370 million (exclusive of the recently acquired Verizon properties.)

Accounting Pronouncements

In June 1998 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." In June 1999, the FASB deferred the effective date of SFAS 133 to fiscal years beginning after June 15, 2000. SFAS 133 established accounting and reporting standards for derivative instruments and for hedging activities by requiring that entities recognize all derivatives as either assets or liabilities at fair value on the balance sheet. Based on the Company's current use of derivatives, SFAS 133 is not expected to materially impact the Company's financial position or results of operations.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements." SAB 101 summarizes certain of the staff's views in applying generally accepted accounting principles to revenue recognition and deferred costs in the financial statements. SAB 101 is effective beginning in the fourth quarter of 2000. Based on the Company's current revenue recognition policies, SAB 101 is not expected to materially impact the Company's financial position or results of operations.

Regulatory Matters

On October 20, 2000, a comprehensive reform plan designed to address access rates, universal service, rate of return and separations was filed with the Federal Communications Commission ("FCC") by a Multi Association Group representing small and mid-sized telephone companies that currently are regulated under traditional rate of return mechanisms. The plan attempts to mirror certain principles of the access charge reform plan implemented by the FCC for price cap companies in mid-1999. The plan, as filed, would create more efficient cost recovery under the FCC's access charge reform system while making universal support more explicit and enforcing the geographic averaging requirements of the Telecommunication Act of 1996. The plan also proposes to remove the current caps on high cost loop support. Under the plan, companies will have a five-year period to transition from their existing forms of rate of return regulation to a new form of incentive regulation. If adopted in its current form, the plan would not have a material effect on the Company's level of operating revenues or results of operations; however, until the plan undergoes the rulemaking procedures of the FCC, it is premature to assess the ultimate impact this proposal will have on the Company. There can be no assurance that the plan, in its final form, will not have a material effect on the Company's results of operations.

In connection with authorizing the Company's acquisition from Verizon of telephone properties in Wisconsin, the Wisconsin Public Service Commission indicated its intent to review the possibility of regulating all of the Company's Wisconsin local exchange carriers on an unitary basis, which would reduce the Company's revenues in Wisconsin (unless and to the extent the Company could mitigate these reductions through rate adjustments or other revenue enhancements approved by the Wisconsin Public Service Commission).

CenturyTel, Inc.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The Company is not exposed to material future earnings or cash flow exposures from changes in interest rates on long-term debt obligations since the majority of the Company's long-term debt obligations are fixed rate. At September 30, 2000, the fair value of the Company's long-term debt was estimated to be \$3.2 billion based on the overall weighted average rate of the Company's long-term debt of 7.3% and an overall weighted maturity of 12 years compared to terms and rates currently available in long-term financing markets. For purposes hereof, market risk is estimated as the potential decrease in fair value of the Company's long-term debt resulting from a hypothetical increase of 73 basis points in

interest rates (which represents ten percent of the Company's overall weighted average borrowing rate). Such an increase in interest rates would result in approximately a \$128.9 million decrease in fair value of the Company's long-term debt.

In the first quarter of 2000, the Company entered into interest rate hedge contracts designed to reduce its interest rate risk with respect to \$500 million of long-term public debt that it ultimately expected to incur in connection with providing long-term financing for its Verizon acquisitions. The Company recorded a \$7.9 million charge in the third quarter of 2000 related to the settlement of certain of these hedge contracts.

PART II. OTHER INFORMATION

CenturyTel, Inc.

Item 5. Other Information

On November 3, 2000, the Company entered into a definitive agreement with Leap Wireless International, Inc. to sell 30 PCS (Personal Communication Service) operating licenses for an aggregate of \$205 million. The licenses cover markets with an aggregate population of approximately seven million in five states. The transaction is expected to close in the first quarter of 2001, subject to (i) approval of the Federal Communications Commission, (ii) receipt of certain partnership approvals and (iii) certain other closing conditions.

Approximately \$119 million of the purchase price will be delivered at closing. The remaining \$86 million will be in the form of a promissory note bearing 10% interest per annum. \$74 million of the note is payable within nine months after the issuance of the note with the remainder payable in 2002 upon maturity of the note. These receipts will be used to pay down indebtedness incurred in connection with the Company's recent acquisitions of properties from Verizon Communications, Inc. The Company's aggregate net proceeds (after taxes and payments to minority investors) are estimated to be approximately \$125 million. The Company will record a pre-tax gain of approximately \$190 million in the period in which the transaction closes.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

4.1 Amendment No. 2, dated and effective as of June 30, 2000, to the Rights Agreement by and between the Registrant and Computershare Investor Services, LLC, as rights agent

4.2 Form of the Registrant's 8.375% Senior Notes, Series H, Due 2010, issued October 19, 2000

4.3 Form of the Registrant's 7.750% Remarketable Senior Notes, Series I, due 2012, issued October 19, 2000 (the "Remarketable Notes")

4.4 Remarketing Agreement, dated as of October 19, 2000, between the Registrant and Banc of America Securities LLC, as remarketing agent for the Remarketable Notes

11 Computations of Earnings Per Share.

27 Financial Data Schedule as of and for the nine months ended September 30, 2000.

B. Reports on Form 8-K

(i) The following item was reported in the Form 8-K filed August 1, 2000.

Item 5. Other Events - News release announcing second
quarter 2000 results of operations.

(ii) The following item was reported in the Form 8-K filed August 15, 2000.

Item 2. Acquisition or Disposition of Assets - Acquisition
of certain assets from Verizon Communications, Inc. in Arkansas and Missouri.

(iii) The following items were reported in the Form 8-K filed October 5, 2000.

Item 2. Acquisition or Disposition of Assets - Consummation
by the Company of the final two of its four acquisitions of assets from Verizon Communications, Inc.

Item 5. Other Events - (i) Company announcement concerning

third quarter 2000 expected operating results and (ii) update of CenturyTel's debt ratings.

Item 7. Financial Statements and Exhibits - (i) Financial

statements of properties acquired from Verizon Communications Inc. and (ii) Unaudited pro forma consolidated condensed financial information related to the Verizon acquisitions.

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.

Date: November 14, 2000

/s/ Neil A. Sweasy

Neil A. Sweasy

Vice President and Controller

(Principal Accounting Officer)

Exhibit 4.1

CONFORMED

CENTURYTEL, INC.
and
COMPUTERSHARE INVESTOR SERVICES, LLC
Rights Agent

Amendment No. 2
to
Rights Agreement

June 30, 2000

AMENDMENT NO. 2 TO RIGHTS AGREEMENT

This Amendment No. 2 (this "Amendment") to the Rights Agreement, dated as of August 27, 1996, as amended (the "Rights Agreement"), by and between CenturyTel, Inc. (formerly named Century Telephone Enterprises, Inc.), a Louisiana corporation (the "Company"), and Computershare Investor Services, LLC (as successor-in-interest to Society National Bank and Harris Trust and Savings Bank), acting as Rights Agent hereunder (the "Rights Agent"), is dated and effective as of June 30, 2000. All capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Rights Agreement.

W I T N E S S E T H:

WHEREAS, the Company and the Rights Agent may amend the Rights Agreement in accordance with the provisions of Section 27 thereof;

WHEREAS, Computershare Investor Services, LLC succeeded to the stock transfer and corporate trust businesses of the prior Rights Agent, Harris Trust and Savings Bank, as of June 30, 2000, and wishes to confirm that it has succeeded to and assumed all of the rights, interests and obligations of the Rights Agent under the Rights Agreement;

WHEREAS, the Company desires to amend Section 21 of the Rights Agreement to clarify which entities are eligible to act as a successor Rights Agent under the Rights Agreement;

WHEREAS, all acts necessary to make this Amendment a valid agreement according to its terms have been validly performed; and

WHEREAS, the execution and delivery of this Amendment by the Company and the Rights Agent have been or will be duly authorized by the Company and the Rights Agent;

NOW, THEREFORE, in consideration of the premises and the mutual agreements set forth herein and in the Rights Agreement, the parties hereby agree as follows:

1. The Rights Agreement is hereby amended by revising the fifth sentence of Section 21 thereof, such that Section 21 of the Rights Agreement, as so amended, shall hereafter read in its entirety as follows:

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice in writing mailed to the Company and to each transfer agent of the Common Shares or Preference Shares by registered or certified mail, and, after the Distribution Date, to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent (with or without cause) upon 30 days' notice in writing mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares or Preference Shares by registered or certified mail, and, after the Distribution Date, to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of 30 days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificates for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (a) a corporation, trust company, banking association or limited liability company (or similar form of entity under the laws of any state of the United States or a foreign jurisdiction) authorized to conduct business under the laws of the United States or any state of the United States, which is authorized under such laws to exercise corporate trust, fiduciary or stockholder services powers and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$20,000,000 or (b) an Affiliate controlled by a corporation, trust company, banking association or limited liability company described in clause (a) of this sentence. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver

and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares or Preference Shares, and, after the Distribution Date, mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

2. The Rights Agreement is hereby amended by replacing the address of the Rights Agent set forth in Section 26 of the Rights Agreement with the following address:

Computershare Investor Services, LLC 1601 Elm Street, Suite 4340 Thanksgiving Tower Dallas, Texas 75201 Attention: Shareholder Services

3. This Amendment shall be governed by and construed in accordance with the laws of the State of Louisiana applicable to contracts made and to be performed entirely within such State.

4. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed an original, and all such counterparts shall together constitute one and the same instrument.

5. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any other way affect any of the terms, conditions, obligations, covenants or agreements contained in the Rights Agreement, all of which are hereby ratified and affirmed in all respects and shall continue in full force and effect. The undersigned Rights Agent acknowledges that it has succeeded to and assumed all of the rights, interests and obligations of the Rights Agent specified in the Rights Agreement in accordance with Section 19 of the Rights Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to the Rights Agreement to be duly executed and delivered, effective as of the day and year first above written.

ATTEST:
/s/ Kathy Tettleton

CENTURYTEL, INC.
By: /s/ Glen F. Post, III

Glen F. Post, III
Vice Chairman, President and
Chief Executive Officer

ATTEST:
/s/ Rozlynn Orr

COMPUTERSHARE INVESTOR SERVICES, LLC
By: /s/ Mark Asbury

Mark Asbury

Vice President

Exhibit 4.2

This Security is a Registered Global Security and is registered in the name of The Depository Trust Company, a New York corporation ("DTC"), or a nominee thereof. This Security may not be exchanged in whole or in part for a Security in definitive registered form, and no transfer of this Security in whole or in part may be registered in the name of any Person other than DTC or its nominee, except in the limited circumstances described elsewhere herein.

Unless this Security is presented by an authorized representative of DTC to the Company (as defined below) or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. SPECIMEN

\$ _____
CUSIP NO. 156700AA4
ISIN NO. US156700AA43
COMMON CODE NO. 11939694

CENTURYTEL, INC.

8.375% Senior Notes, Series H, Due 2010

CenturyTel, Inc., a corporation duly organized and existing under the laws of the State of Louisiana (herein referred to as the "Company"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \$ _____ Dollars on October 15, 2010 (unless and to the extent earlier redeemed or repaid prior to such maturity date) and to pay interest on such principal sum from the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from October 19, 2000, semi-annually in arrears on April 15 and October 15 in each year, commencing on April 15, 2001, at the rate of 8.375% per annum until the principal hereof shall have become due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum. The interest installment so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this Security (or one or more Predecessor Securities, as defined in such Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be April 1 or October 1, as the case may be (whether or not a Business Day), immediately preceding such interest payment date. Any such interest installment not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such regular record date, and may be paid to the person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest which shall not be more than 15 or less than 10 days prior to the date of the proposed payment of such defaulted interest, notice of which shall be given to the registered holder or holders of this series of Security not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Security may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture hereinafter referred to. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of and the interest on this Security shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debt, at the office or agency of the Company maintained for that purpose in the City of Monroe and State of Louisiana, the Borough of Manhattan, the City and State of New York. Interest payable on any interest payment date will be paid to DTC, Euroclear and/or Clearstream Luxembourg, as the case may be, with respect to the portion of this Security held for its account by Cede & Co. or a successor depository, as the case may be, for the purpose of permitting such party to credit the interest received by it in respect of this Security to the accounts of the beneficial owners hereof.

This Security shall not be entitled to any benefit under the Indenture hereinafter referred to, or be valid or become obligatory for any purpose, until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Security are continued on the following pages hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated: October 19, 2000

CENTURYTEL, INC.

By _____
Vice President

Attest: _____

By _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the above-designated series therein referred to in the within-mentioned Indenture.

Regions Bank, as Trustee, Authenticating Agent and Security Registrar

By _____
Authorized Officer

Additional Terms of Security

This Security is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), all issued or to be issued in one or more series under and pursuant to an Indenture dated as of March 31, 1994 duly executed and delivered between the Company and Regions Bank, an Alabama banking corporation organized and existing under the laws of the State of Alabama (as successor-in-interest to Regions Bank of Louisiana and First American Bank & Trust of Louisiana), as Trustee (herein referred to as the "Trustee") (such Indenture hereinafter referred to as the "Indenture"), to which Indenture reference is hereby made for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Securities. By the terms of the Indenture, the Securities are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Security is one of the series designated on the face hereof (herein called the "Series") initially issued in the aggregate principal amount of \$500,000,000. Nothing herein shall limit the Company's rights to issue additional Securities of this Series.

In case an Event of Default, as defined in the Indenture, with respect to the Series shall have occurred and be continuing, the principal of all of the Securities of the Series may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Securities or any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Security so affected or (ii) reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security then Outstanding and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the holders of Securities of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Security and of any Security issued in exchange hereof or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times and place and at the rate and in the currency herein prescribed.

Payment of Additional Amounts. The Company will, subject to certain exceptions and limitations set forth below, pay such additional amounts to any beneficial owner of any Security of this Series who is a non-United States person (as defined below) as may be necessary in order that every net payment of principal of and interest on such Security and any other amounts payable on such Security, after withholding for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of such payment by the United States, or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such Security to be then due and payable. The Company will not, however, be required to make any such payment of additional amounts to any beneficial owner for or on account of:

(i) any such tax, assessment or other governmental charge that would not have been so imposed or withheld but for the existence of any present or former connection between such beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of such beneficial owner, if such beneficial owner is an estate, a trust, a partnership, a corporation or similar entity) and the United States and its possessions, including, without limitation, such beneficial owner (or such fiduciary, settlor, beneficiary, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in a trade or business or present therein or having, or having had, a permanent establishment therein;

(ii) any estate, inheritance, gift, sales, excise, transfer, wealth or personal property tax or any similar tax, assessment or governmental charge;

(iii) any tax, assessment or other governmental charge imposed or withheld by reason of such beneficial owner's past or present status as a personal holding company or foreign personal holding company or controlled foreign corporation or passive foreign investment company with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;

(iv) any tax, assessment or other governmental charge that is payable otherwise than by withholding from payments on or in respect of any Security of this Series;

(v) any tax, assessment or other governmental charge that would not have been imposed or withheld but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the beneficial owner of such Security, if such compliance is required by statute or by regulation of the United States or of any political subdivision or taxing authority thereof or therein or by an applicable income tax treaty to which the United States is a party as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(vi) any tax, assessment or other governmental charge imposed or withheld by reason of such beneficial owner's past or present status as the actual or constructive owner of 10% or more of the total combined voting power of all classes of the Company's stock entitled to vote or as a controlled foreign corporation that is related directly or indirectly to the Company through stock ownership;

(vii) to the extent applicable, any tax, assessment or governmental charge that is imposed or withheld solely because of a change in law, regulation, or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later;

(viii) any tax, assessment or governmental charge any paying agent must withhold from any payment of principal of or interest on any Security of this Series, if such payment can be made without such withholding by any other paying agent; or

(ix) any combination of these factors.

Such additional amounts shall also not be paid with respect to any payment on this Security to a non-United States person who is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the United States, or any political subdivision thereof, to be included in the income, for tax purposes, of a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to such additional amounts had such beneficiary, settlor, member or beneficial owner, as the case may be, held its interest in the note directly.

The Securities of this Series are subject in all cases to any tax, fiscal or other law or regulation or administrative or judicial interpretation applicable. Except as specifically provided herein, the Company is not required to make any payment with respect to any tax, assessment or governmental charge imposed by any government or a political subdivision or taxing authority.

As used herein, "United States" means the United States of America and its territories, its possessions and other areas subject to its jurisdiction; a "non-United States person" means a person (other than a partnership) that is not a United States person; and a "United States person" means (i) a citizen or resident of the United States, (ii) a corporation, or other entity treated as a corporation, created or organized under the laws of the United States or any State thereof or the District of Columbia; (iii) an estate whose income is subject to United States federal income tax without regard to its source or (iv) a trust the administration of which is subject to the primary jurisdiction of a court within the United States and for which one or more United States persons have the authority to control all substantial decisions.

Optional Redemption. The Company may redeem, at its option at any time, the Securities of this Series, as a whole or in part, upon not less than 30 nor more than 60 days notice by mail, at a redemption price equal to the greater of

(i) 100% of the principal amount of such Securities to be redeemed or (ii) the sum of the present values of the Remaining Scheduled Payments (as hereinafter defined) thereon discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as hereinafter defined) plus 35 basis points for such Securities, together in all cases with accrued interest on the principal amount being redeemed to the redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the second Business Day immediately preceding such redemption date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of this Security. "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Comparable Treasury Price" means, with respect to any redemption date for the Securities: (a) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations obtained by the Trustee.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York time, on the third business day preceding such redemption date.

"Reference Treasury Dealer" means each of Banc of America Securities LLC, Salomon Smith Barney Inc., Chase Securities, Inc., J.P. Morgan Securities Inc., and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

"Remaining Scheduled Payments" means the remaining scheduled payments of the principal of this Security to be redeemed and interest thereon that would be due after the related redemption date but for such redemption; provided, however, that if such redemption date is not an interest payment date with respect to this Security, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

Unless the Company defaults in payment of the redemption price, on and after the applicable redemption date interest will cease to accrue on this Security, or portions thereof called for redemption.

Tax Redemption. The Company may redeem, at its option at any time, the Securities as a whole, upon the giving of a notice of redemption as described below, if (a) the Company determines that, as a result of any change in or amendment to the laws, or any regulations or rulings promulgated thereunder, of the United States or of any political subdivision or taxing authority thereof or therein, or any change in official position regarding the application or interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after October 12, 2000, the Company has or will become obligated to pay additional amounts as described above or (b) a taxing authority of the United States takes an action on or after October 12, 2000 whether or not with respect to the Company or any of its affiliates that results in a substantial probability that the Company will or may be required to pay such additional amounts, in either case, with respect to such Securities for reasons outside the Company's control and after taking reasonable measures available to the Company to avoid such obligation. In either such instance, the Securities will be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to the date fixed for redemption. Prior to the giving of any notice of redemption pursuant to this paragraph, the Company will deliver to the Trustee:

(i) a certificate stating that the Company is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the Company's right to so redeem have occurred, and

(ii) an opinion of independent counsel satisfactory to the Trustee to the effect that the Company has or will become obligated or there is a substantial probability that the Company will or may be required to pay such additional amounts for the reasons described above;

provided that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Company would be obligated to pay such additional amounts if a payment in respect of the Securities were then due.

Notice of any redemption will be given not less than 30 nor more than 60 days prior to the date fixed for redemption, which date and the applicable redemption price will be specified in the notice. Notices to holders of the Securities of this Series will be sent by mail to the registered holder or holders.

Except as provided above, the Securities are not otherwise redeemable prior to maturity.

Other Terms. As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the holders of not less than a majority in principal amount of the Securities at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the holders of a majority in principal amount of Securities at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the holder of this Security for the enforcement of any payment of principal hereof or premium, if any, or interest hereon on or after the respective due dates expressed or provided for herein.

As provided in the Indenture and subject to certain limitations therein set forth, this Security is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company in the City of Monroe and State of Louisiana, or any other authorized office or agency of the Company established for this purpose, accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Security Registrar duly executed by the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Security the Company, the Trustee, any Paying Agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Security shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any Paying Agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, affiliate, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

If DTC is at any time unwilling, unable or ineligible to continue as depositary of the Securities of this Series and a successor depositary is not appointed by the Company within 90 days, or if the Company at any time determines not to have the Securities of this Series represented by one or more registered global Securities, the Company will issue the Securities of this Series in definitive form in exchange for the registered global Securities.

The Securities are issuable only in book-entry form. The Securities may be represented by one or more registered global Securities deposited with DTC and registered in the name of the nominee of DTC, with certain limited exceptions. So long as DTC or any successor depository or its nominee is the registered holder of a global Security, DTC, such depository or such nominee, as the case may be, will be considered to be the sole holder of the Security for all purposes of the Indenture. Except as provided below, an owner of a beneficial interest in a global Security will not be entitled to have the Securities represented by such global Security registered in such owner's name, will not receive or be entitled to receive physical delivery of the Securities in certificated form and will not be considered the owner or holder thereof under the Indenture. Each person owning a beneficial interest in a global Security must rely on DTC's procedures and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. If the Company requests any action of holders or if an owner of a beneficial interest in a global Security desires to take any action that a holder is entitled to take under the Indenture, DTC will authorize the participants holding the relevant beneficial interests to give or take such action, and such participants will otherwise act upon the instructions of beneficial owners holding through them.

Initially, the Trustee will be the Security Registrar, the Transfer Agent and the Paying Agent for this Security, and Credit Agricole Indosuez Luxembourg will be the Luxembourg Listing Agent, Paying Agent and Transfer Agent. The Company reserves the rights at any time to remove any Listing Agent, Paying Agent, Transfer Agent or Security Registrar without notice, to appoint additional or other Listing Agents, other Paying Agents, other Transfer Agents and other Security Registrars without notice and to approve any change in the office through which any Listing Agent, Paying Agent, Transfer Agent or Security Registrar acts; provided, however, that as long as the Securities are listed on the Luxembourg Stock Exchange, the Company will maintain a Listing Agent, Paying Agent and Transfer Agent in Luxembourg, and any change in the Luxembourg Listing Agent, Paying Agent and Transfer Agent will be published in Luxembourg. None of the Company, the Trustee, any Listing Agent, Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any depository, as a holder, with respect to this Security in global form or impair, as between such depository and owners of beneficial interests in such global Security, the operation of customary practices governing the exercise of the rights of such depository (or its nominee) as holder of such global Security.

The Company may cause CUSIP, ISIN or Common Code numbers to be printed on the Securities as a convenience to holders of Securities. No representation is made as to the accuracy of such numbers as printed on the Securities, and reliance may be placed only on the other identification numbers printed thereon.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

The Indenture and this Security shall be governed by and construed in

accordance with the laws of the State of Louisiana.

EXHIBIT 4.3

This Security is a Registered Global Security and is registered in the name of The Depository Trust Company, a New York corporation ("DTC"), or a nominee thereof. This Security may not be exchanged in whole or in part for a Security in definitive registered form, and no transfer of this Security in whole or in part may be registered in the name of any Person other than DTC or its nominee, except in the limited circumstances described elsewhere herein.

Unless this Security is presented by an authorized representative of DTC to the Company (as defined below) or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. SPECIMEN

\$ _____
CUSIP NO. 156700AB2

CENTURYTEL, INC.

7.750% Remarketable Senior Notes, Series I, Due 2012

INTEREST RATE TO REMARKETING DATE: 7.750%

REMARKETING DATE:	October 15, 2002
INTEREST RATE TO MATURITY:	See Further Provisions set forth herein
MATURITY DATE:	October 15, 2012, Subject To Extension as set forth herein
INTEREST PAYMENT DATES:	April 15 and October 15, commencing April 15, 2001 through the first Remarketing Date and thereafter, as set forth herein

CenturyTel, Inc., a corporation duly organized and existing under the laws of the State of Louisiana (herein referred to as the "Company"), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of \$ _____ Dollars on October 15, 2012 (unless and to the extent earlier redeemed or repaid prior to such maturity date), or at such other maturity date determined in accordance with the terms hereof, and to pay interest on such principal sum semi-annually in arrears on April 15 and October 15 of each year, commencing April 15, 2001, to the Remarketing Date specified above, at the Interest Rate to Remarketing Date specified herein, and thereafter, subject to the terms and conditions set forth herein, at the interest rates determined by the Remarketing Dealer (as defined herein) in accordance with the procedures referred to herein, and on the Interest Payment Dates referred to herein from the most recent Interest Payment Date to which interest on the Securities has been paid or duly provided for, or, if no interest has been paid or provided for, from October 19, 2000. Notwithstanding the foregoing, if the date hereof is after a Regular Record Date and before the following Interest Payment Date, this Security shall bear interest from such Interest Payment Date; provided that if the Company shall default in the payment of interest due on such Interest Payment Date, then this Security shall bear interest from the immediately preceding Interest Payment Date to which interest on the Securities has been paid or duly provided for, or, if no interest has been paid or duly provided for on the Securities, from October 19, 2000.

The interest so payable on any Interest Payment Date will, except as otherwise provided in the Indenture (as defined herein), be paid to the Person in whose name this Security (or one or more Predecessor Securities, as defined in the Indenture) is registered at the close of business on April 1 or October 1 (whether or not a Business Date), if the Interest Payment Dates are April 15 or October 15, respectively, or on the fifteenth calendar day (whether or not a Business Day) immediately preceding any other applicable Interest Payment Date. Any such interest that is not so punctually paid or duly provided for will forthwith cease to be payable to the registered holder on such Regular Record Date and may either be paid to the person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee (in accordance with the Indenture), notice whereof shall be given to the registered holder or holders of the Securities of this series not more than 15 and not less than ten days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange, if any, on which the Securities of this series may be listed, and upon such notice as may be required by any such exchange, all as more fully provided in the Indenture. The principal of and the interest on this Security shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debt, at the office of the Company maintained for that purpose in the City of Monroe and State of Louisiana, or the Borough of Manhattan, the City and State of New York. Interest on overdue principal and (to the extent permitted by applicable law) on overdue installments of interest shall accrue at the then applicable interest rate of this Security.

The provisions of this Security are continued on the following pages hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated: October 19, 2000

CENTURYTEL, INC.

By _____
Vice President

Attest: _____

By _____
Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the above-designated series therein referred to in the within-mentioned Indenture.

Regions Bank, as Trustee, Authenticating Agent and Security Registrar

By _____
Authorized Officer

Additional Terms of Security

This Security is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), all issued or to be issued in one or more series under and pursuant to an Indenture dated as of March 31, 1994 duly executed and delivered between the Company and Regions Bank, an Alabama banking corporation organized and existing under the laws of the State of Alabama (as successor-in-interest to Regions Bank of Louisiana and First American Bank & Trust of Louisiana), as Trustee (herein referred to as the "Trustee") (such Indenture hereinafter referred to as the "Indenture"), to which Indenture reference is hereby made for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Securities. By the terms of the Indenture, the Securities are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Security is one of the series designated on the face hereof (herein called the "Series") initially issued in the aggregate principal amount of \$400,000,000. Nothing herein shall limit the Company's rights to issue additional Securities of this Series.

In case an Event of Default, as defined in the Indenture, with respect to the Series shall have occurred and be continuing, the principal of all of the Securities of the Series may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Securities or any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Security so affected or (ii) reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security then Outstanding and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the holders of Securities of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Security and of any Security issued in exchange hereof or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times and place and at the rate and in the currency herein prescribed.

Certain provisions relating to the remarketing of the Securities set forth below are contained in the Remarketing Agreement.

Interest Payments on the Securities shall be in the amount of interest accrued from and including the immediately preceding Interest Payment Date (or from and including October 19, 2000 with respect to the initial interest payment) to but excluding the relevant Interest Payment Date, Remarketing Date or Stated Maturity Date, as the case may be.

The rate of interest on the Securities for the period from October 19, 2000 to but excluding October 15, 2002, which is the first Remarketing Date, will be 7.750% per annum.

From and including the first Remarketing Date, the rate of interest on the Securities will be either the Interest Rate to Maturity (if the first Remarketing Date is also the Fixed Rate Remarketing Date) or the Floating Period Interest Rate based on the accrual method described below (if the first Remarketing Date is also the Floating Rate Remarketing Date), if any.

During the Floating Rate Period, the Securities shall accrue interest on the Dollar Price thereof at a rate per annum equal to the Floating Period Interest Rate, with respect to each Floating Rate Reset Period, such interest to accrue from the first Reference Rate Reset Date to but excluding

the Floating Period Termination Date (with interest accruing during all intervening periods from each applicable Reference Rate Reset Date to but excluding the next Reference Rate Reset Date or the Floating Period Termination Date, as applicable). The amount of interest to be paid for any Floating Rate Reset Period will be calculated by adding the daily interest amounts for each day in the Floating Rate Reset Period.

If the first Remarketing Date is also the Floating Rate Remarketing Date, then from and including the subsequent Fixed Rate Remarketing Date, the rate of interest on the Securities will be payable at the Interest Rate to Maturity.

During the period prior to the first Remarketing Date and the period after the Fixed Rate Remarketing Date, interest shall be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Securities during the Floating Rate Period shall be computed on the basis of the actual number of days in each Floating Rate Reset Period over a 360-day year.

Interest payable on any Interest Payment Date will be payable to the persons in whose names the Securities are registered on April 1 or October 1 (whether or not a Business Day), if the Interest Payment Dates are April 15 or October 15, respectively, or on the 15th calendar day (whether or not a Business Day) immediately preceding any other applicable Interest Payment Date.

If any interest, principal or other payment date of the Securities (including any payment date in connection with a mandatory tender or mandatory redemption) occurring during a period when the Securities are accruing interest at a fixed rate does not fall on a Business Day, a payment otherwise payable on that day will be made on the next succeeding Business Day. Such payment will have the same effect as if made on the originally scheduled payment date, and no interest will accrue for the period from and after such payment date. In the case of any such payment that accrues interest at a floating rate, interest will accrue from such originally scheduled payment date to but excluding, and shall be payable on, the next succeeding Business Day (except in the case of an interest payment on the Stated Maturity Date, in which case no interest will accrue from and after the Stated Maturity Date).

The principal of and the interest on the Securities shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at any one or more offices or agencies of the Company maintained for such purpose in accordance with the Indenture. The Interest Rate to Maturity and the Floating Rate Interest Rate, if any, for the Securities announced by the Remarketing Dealer, absent manifest error, shall be binding and conclusive upon the beneficial owners of the Securities, the Company and the Trustee.

If the Remarketing Dealer gives notice to the Company and the Trustee on the Notification Date, in accordance with the Remarketing Agreement, of its intention to purchase the Securities for remarketing on the first Remarketing Date, the Securities shall be automatically tendered, or deemed tendered, to the Remarketing Dealer for purchase on such Remarketing Date in accordance with the terms and conditions of the Remarketing Agreement, except as provided in the case of a mandatory redemption, optional redemption, or post-remarketing optional redemption, all as described further herein. The purchase price payable to the holders of such tendered Securities will be equal to 100% of the aggregate principal amount thereof on the first Remarketing Date.

Upon the occurrence of a subsequent Remarketing Date, if any, the Securities shall be automatically tendered, or deemed tendered, to the Remarketing Dealer for purchase on such Remarketing Date in accordance with the terms and conditions of the Remarketing Agreement, except as provided in the case of a mandatory redemption, optional redemption, or post-remarketing optional redemption. The purchase price payable to the holders of such tendered Securities will be the Dollar Price thereof on any such subsequent Remarketing Date. The Company shall give notice to the Remarketing Dealer and the Trustee of any subsequent Remarketing Date at least five Business Days before such Remarketing Date.

If the Securities are tendered for remarketing, the Remarketing Dealer shall sell 100% of the aggregate principal amount of the Securities at the Dollar Price to the Reference Corporate Dealer or the Reference Money Market Dealer, whichever is applicable, providing the lowest Bid. If two or more of the applicable Reference Dealers provide the lowest Bid, the Remarketing Dealer shall sell the Securities to one or more of such Reference Dealers, as it determines in its sole discretion. The obligation of the Remarketing Dealer to purchase the Securities on the Remarketing Date is subject to the conditions set forth in the Remarketing Agreement.

The Company shall be required to redeem the Securities from the Holders in whole on the applicable Remarketing Date at a redemption price equal to 100% of the aggregate principal amount of the Securities, if such Remarketing Date is the first Remarketing Date, or the Dollar Price on any subsequent Remarketing Date plus all accrued and unpaid interest, if any, to such Remarketing Date, upon the occurrence of certain events or conditions specified in the Remarketing Agreement, including without limitation if (i) the Remarketing Dealer for any reason does not notify the Company of the Floating Period Interest Rate or of the Interest Rate to Maturity by 4:00 p.m., New York City time, on the applicable Determination Date, (ii) prior to any Remarketing Date, the Remarketing Dealer resigns and no successor has been appointed on or before such Determination Date, (iii) at any time after the Remarketing Dealer elects on the Notification Date to remarket the Securities, the Remarketing Dealer elects to terminate the Remarketing Agreement in accordance with its terms, (iv) the Remarketing Dealer for any reason does not elect by notice to the Company and the Trustee not later than such Notification Date to purchase all of the Securities for remarketing on such Remarketing Date, (v) the Remarketing Dealer for any reason does not deliver the purchase price of the Securities to the Trustee on the Remarketing Date, or does not purchase all tendered Securities on such Remarketing Date, or (vi) the Company for any reason fails to redeem the Securities from the Remarketing Dealer following the Company's election to effect such redemption.

The Company shall have the right to redeem the Securities, in whole, from the Remarketing Dealer on any Remarketing Date in accordance with the procedures set forth below and further defined in the Remarketing Agreement. If the Remarketing Dealer elects in connection with the first Remarketing Date, or is obligated, in connection with the subsequent Remarketing Date, if any, to remarket the Securities, the Company

shall, notwithstanding Section 3.02 of the Indenture, notify the Remarketing Dealer and the Trustee, not later than 4:00 p.m. New York City time on the fourth Business Day immediately preceding any Remarketing Date, if the Company irrevocably elects to exercise its right to redeem the Securities, in whole, from the Remarketing Dealer on such Remarketing Date. If the Company so elects to redeem the Securities, the Company shall redeem the Securities in whole on the first Remarketing Date or on the subsequent Remarketing Date at the Dollar Price, in each case, plus accrued and unpaid interest, if any, to such Remarketing Date.

After the Fixed Rate Remarketing Date, the Securities are redeemable, in whole or in part, at any time, and at the option of the Company, at a redemption price equal to the greater of: (1) 100% of the principal amount of the Securities then outstanding to be redeemed or (2) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate, and 35 basis points, as calculated by an Independent Investment Banker, plus, in either of the above cases, accrued and unpaid interest thereon to the applicable redemption date.

The Adjusted Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

Under Section 3.02 of the Indenture, the Company will mail a notice of redemption at least 30 days but not more than 60 days before a redemption date to each record holder of the Securities to be redeemed. Notwithstanding Section 3.02 of the Indenture, if the Company becomes obligated to redeem the Securities under the Remarketing Agreement on a date that will not permit the Company to provide at least 30 days notice prior to such redemption, then the Company shall provide each record holder of such Securities with as much notice of the redemption date as is reasonably practicable under the circumstances. If the Company elects to partially redeem the Securities, the Trustee will select in a fair and appropriate manner the Securities to be redeemed.

If the redemption of the Securities is in part only, a new Security or Securities for the unredeemed portion will be issued in the name or names of the registered holder or holders thereof upon surrender thereof.

Except as provided above, the Securities are not otherwise redeemable prior to maturity.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the holders of not less than a majority in principal amount of the Securities at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the holders of a majority in principal amount of Securities at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the holder of this Security for the enforcement of any payment of principal hereof or premium, if any, or interest hereon on or after the respective due dates expressed or provided for herein.

As provided in the Indenture and subject to certain limitations therein set forth, this Security is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company in the City of Monroe and State of Louisiana, or any other authorized office or agency of the Company established for this purpose, accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Security the Company, the Trustee, any Paying Agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Security shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any Paying Agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, affiliate, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

For purposes hereof, the following terms shall have the following meanings:

"Adjusted Treasury Rate" means, with respect to any redemption date:

(1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the

caption "Treasury Constant Maturities", for the maturity corresponding to the Post- Remarketing Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Securities, yields for the two published maturities most closely corresponding to the Post- Remarketing Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Post-Remarketing Comparable Treasury Issue, calculated using a price for the Post-Remarketing Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Post-Remarketing Comparable Treasury Price for such Redemption Date.

"Applicable Spread" shall be the lowest Fixed Rate Bid, expressed as a spread (in the form of a percentage or in basis points) above the Base Rate for the Securities, obtained by the Remarketing Dealer by 3:30 p.m., New York City time, on the Fixed Rate Determination Date from the Fixed Rate Bids quoted to the Remarketing Dealer by up to five Reference Corporate Dealers.

"Base Rate" means 5.72% per annum.

"Bid" means a Fixed Rate Bid or a Floating Rate Bid, as the case may be.

"Business Day" means any day other than a Saturday or Sunday or a day on which banking institutions in New York, New York or Monroe, Louisiana are authorized or obligated by law or executive order to close.

"Comparable Treasury Issue" means the U.S. Treasury security or securities selected by the Remarketing Dealer, as of the first Determination Date as being the then current on-the-run ten-year U.S. Treasury security (meaning the then most recently issued ten-year U.S. Treasury security), unless, in the reasonable judgment of the Remarketing Dealer, the then on-the-run ten-year U.S. Treasury security is not then being used as the "pricing bond" for comparable corporate issues, in which case, the Comparable Treasury Issue will mean the "pricing bond" used at the time for comparable corporate issues or, if, in the reasonable judgment of the Remarketing Dealer, there is no such "pricing bond," then the Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by the Remarketing Dealer as of the first Determination Date as having an actual maturity comparable to the remaining term of the Securities.

"Comparable Treasury Price" means, with respect to the first Remarketing Date:

(1) the offer prices for the Comparable Treasury Issue (expressed in each case as a percentage of their principal amount) at 12:00 noon, New York City time, on the first Determination Date, as set forth on Telerate Page 500 (or such other page as may replace Telerate Page 500), or

(2) if such page (or any successor page) is not displayed or does not contain such offer prices on such first Determination Date, (a) the average of up to five Reference Treasury Dealer Quotations for such Remarketing Date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or

(b) if fewer than five such Reference Treasury Dealer Quotations are obtained, the average of all such quotations.

"Determination Date" means either the Fixed Rate Determination Date or the Floating Rate Spread Determination Date.

"Dollar Price" means (1) the principal amount of the Securities, plus,

(2) the premium equal to the excess, if any, of (A) the present value, as of the first Remarketing Date, of the Remaining Scheduled Payments, discounted to such first Remarketing Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, over (B) the principal amount of the Securities.

"Fixed Rate Bid" means an irrevocable offer to purchase the aggregate outstanding principal amount of the Securities at the Dollar Price, but assuming:

(1) a settlement date that is the Fixed Rate Remarketing Date, without accrued interest,

(2) a maturity date that is the 10th anniversary of the Fixed Rate Remarketing Date, and

(3) a stated annual interest rate equal to the Base Rate plus the spread bid by the Reference Corporate Dealer.

"Fixed Rate Determination Date" means the third Business Day prior to the Fixed Rate Remarketing Date.

"Fixed Rate Remarketing Date" means (a) the first Remarketing Date, assuming the Remarketing Dealer has elected to purchase the Securities and the Company has not elected to exercise its Floating Period Option, or (b) the subsequent Remarketing Date on which the Remarketing Dealer is obligated to remarket the Securities, in the event that the Company has elected to exercise its Floating Period Option.

"Floating Period Interest Rate" means the sum of the Reference Rate and the Floating Rate Spread.

"Floating Period Notification Date" means the fourth Business Day immediately preceding the first Remarketing Date.

"Floating Period Option" means the Company's right, on any date subsequent to the Remarketing Dealer's election to purchase the Securities, but prior to the fourth Business Day immediately preceding the first Remarketing Date, to require the Remarketing Dealer to remarket the Securities at the Floating Period Interest Rate.

"Floating Period Termination Date" means a date during the Floating Rate Reset Period that would otherwise be the Reference Rate Reset Date following the date the Company elects to terminate the Floating Rate Period or the Reference Rate Reset Date that would otherwise occur in the month in which the first anniversary of the first Remarketing Date occurs, whichever is earlier.

"Floating Period Termination Notification Date" means a date during the Floating Rate Reset Period on which the Company elects to terminate the Floating Rate Period, which date shall be at least five Business Days prior to the Floating Period Termination Date.

"Floating Rate Bid" means an irrevocable offer to purchase the aggregate outstanding principal amount of the Securities at the Dollar Price, but assuming:

- (1) a settlement date that is the Floating Rate Remarketing Date without accrued interest,
- (2) a maturity date equal to the Floating Period Termination Date,
- (3) a stated annual interest rate equal to the Reference Rate plus the Floating Rate Spread,
- (4) that such Securities are callable for repurchase by the Remarketing Dealer at the Dollar Price on the Floating Period Termination Date, and
- (5) that the Company will redeem the Securities at the Dollar Price on the Floating Period Termination Date if not previously repurchased by the Remarketing Dealer.

"Floating Rate Period" means the period from (and including) the Floating Rate Remarketing Date to (but excluding) the Floating Period Termination Date.

"Floating Rate Remarketing Date" means October 15, 2002 in the event that the Company has elected to exercise its Floating Period Option.

"Floating Rate Reset Period" means the period from (and including) the first Reference Rate Reset Date to (but excluding) the next following Reference Rate Reset Date, and thereafter the period from (and including) a Reference Rate Reset Date to (but excluding) the next following Reference Rate Reset Date; provided that the final Floating Rate Reset Period during the Floating Rate Period will run to (but exclude) the Floating Period Termination Date.

"Floating Rate Spread" shall be the lowest applicable Floating Rate Bid expressed as a spread (in the form of a percentage or in basis points) above the Reference Rate obtained by the Remarketing Dealer by 3:30 p.m., New York City time, on the third Business Day prior to the Floating Rate Remarketing Date, from the Floating Rate Bids quoted to the Remarketing Dealer by up to five Reference Money Market Dealers.

"Floating Rate Spread Determination Date" means the third Business Day prior to the Floating Rate Remarketing Date.

"Independent Investment Banker" means either Banc of America Securities LLC or Salomon Smith Barney Inc. and their respective successors as selected by the Company, or if both of these firms are unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by the Company.

"Initial Rate" means 7.750% per annum.

"Interest Payment Date" means the dates on which the Company shall be obligated to make interest payments on the Securities, which dates shall be, as applicable:

- (1) during the period prior to and including the first Remarketing Date semi-annually in arrears on April 15 and October 15, commencing on April 15, 2001; and
- (2) during the period after the Fixed Rate Remarketing Date, if any, semi-annually in arrears on each day that is a six-month anniversary of such date; and
- (3) during the period after the Floating Rate Remarketing Date, if any, in arrears on each Reference Rate Reset Date commencing on the Reference Rate Reset Date following the first Reference Rate Reset Date and ending on the Floating Period Termination Date.

"Interest Rate to Maturity" shall be equal to the sum of the Base Rate and the Applicable Spread, which will be based on the Dollar Price. The Interest Rate to Maturity will be determined by the Remarketing Dealer to the nearest one hundredth of one percent per annum (0.01%).

"LIBOR Business Day" means a day that is a Business Day and a London Business Day.

"London Business Day" means any day on which dealings in U.S. dollars are transacted in the London Inter-Bank Market.

"Notification Date" means a Business Day not earlier than 20 Business Days prior to the first Remarketing Date, and not later than 4:00 p.m., New York City time, on the 15th Business Day prior to the first Remarketing Date, on which the Remarketing Dealer notifies the Company and

the Trustee as to whether it elects to purchase the Securities on such Remarketing Date.

"Original Issue Date" means October 19, 2000.

"Post-Remarketing Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Post-Remarketing Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the Securities.

"Post-Remarketing Comparable Treasury Price" means (1) the average of five Post-Remarketing Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Post-Remarketing Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Post Remarketing Reference Treasury Dealer Quotations, the average of all such quotations.

"Post-Remarketing Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Post-Remarketing Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Reference Corporate Dealer" means each of up to five leading dealers of publicly traded debt securities, including the Company's debt securities, which shall be selected by the Company. The Company will advise the Remarketing Dealer of its selection of Reference Corporate Dealers no later than five Business Days prior to the Fixed Rate Remarketing Date. If Banc of America Securities LLC is then acting as the Remarketing Dealer, then it will be among the Reference Corporate Dealers the Company will select.

"Reference Money Market Dealer" means each of up to five dealers of publicly traded debt securities, including the Company's debt securities, selected by the Company, who are also leading dealers in money market instruments. The Company will advise the Remarketing Dealer of its selection of Reference Money Market Dealers no later than five Business Days prior to the Floating Rate Remarketing Date. If Banc of America Securities LLC is then acting as the Remarketing Dealer, then it will be among the Reference Money Market Dealers the Company will select.

"Reference Rate" means:

(1) The rate for each Floating Rate Reset Period which will be the rate for deposits in U.S. Dollars for a period of one month which appears on Telerate Page 3750 (or any successor page) as of 11:00 a.m., London time, on the applicable Reference Rate Determination Date.

(2) If no rate appears on Telerate Page 3750 on the Reference Rate Determination Date, the Remarketing Dealer will request the principal London offices of four major reference banks in the London Inter-Bank Market to provide it with their offered quotations for deposits in U.S. Dollars for the period of one month, commencing on the first day of the Floating Rate Reset Period, to prime banks in the London Inter-Bank Market at approximately 11:00 a.m., London time, on the Reference Rate Determination Date and in a principal amount that is representative for a single transaction in U.S. Dollars in that market at that time. If at least two quotations are provided, then the Reference Rate will be the average of those quotations. If fewer than two quotations are provided, then the Reference Rate will be the average (rounded, if necessary, to the nearest one hundredth of one percent (0.01%)) of the rates quoted at approximately 11:00 a.m., New York City time, on the Reference Rate Determination Date by three major banks in New York City selected by the Remarketing Dealer for loans in U.S. dollars to leading European banks, having a one-month maturity and in a principal amount that is representative for a single transaction in U.S. dollars in that market at that time. If the banks selected by the Remarketing Dealer are not providing quotations in the manner described by this paragraph, the rate for the Floating Rate Reset Period following the Reference Rate Determination Date will be the rate in effect on that Reference Rate Determination Date.

"Reference Rate Determination Date" will be the second LIBOR Business Day preceding each Reference Rate Reset Date.

"Reference Rate Reset Date" means the first Remarketing Date or the 15th day of each month thereafter until (but excluding) the Floating Period Termination Date.

"Reference Treasury Dealer" means each of up to five Primary U.S. Government Securities dealers (each a "Primary Treasury Dealer") to be selected by the Company, and their respective successors; provided that if any of the foregoing ceases to be a Primary Treasury Dealer, the Company will substitute another Primary Treasury Dealer. The Company will advise the Remarketing Dealer of its selection of Reference Treasury Dealers no later than five Business Days prior to the Fixed Rate Remarketing Date. If Banc of America Securities LLC is then acting as the Remarketing Dealer, then it will be among the Reference Treasury Dealers the Company will select.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer, the offer prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Remarketing Dealer by such Reference Treasury Dealer, by 3:30

p.m., New York City time, on the applicable Determination Date.

"Remaining Scheduled Payments" means, the remaining scheduled payments of the principal of and interest on the Securities, calculated at the Base Rate, that would be due after the first Remarketing Date, to and including the Stated Maturity Date; provided that if such first Remarketing Date is not an Interest Payment Date, the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to first Remarketing Date.

"Remarketing Agreement" means an agreement between the Company and the Remarketing Dealer, dated as of October 19, 2000, relating to the remarketing of the Securities.

"Remarketing Date(s)" means (a) October 15, 2002 in the event the Remarketing Dealer elects to remarket the Securities and the Company has not elected to exercise its Floating Period Option or (b) October 15, 2002 and a subsequent remarketing date which shall fall on the 15th day of any one of the 12 consecutive months subsequent to the first Remarketing Date until October 15, 2003 if the Remarketing Dealer elects to remarket the Securities and the Company has elected to exercise its Floating Period Option.

"Remarketing Dealer" means Banc of America Securities LLC or any successor Remarketing Dealer under the Remarketing Agreement.

"Stated Maturity Date" means October 15, 2012 or in the event the Company elects to exercise its Floating Period Option, the tenth anniversary of the Fixed Rate Remarketing Date, but not later than October 15, 2013.

"Telerate Page 500" means the display designated as "Telerate page 500" on Dow Jones Markets (or such other page as may replace "Telerate page 500" on such service) or such other service displaying the offer prices, as may replace Dow Jones Markets.

"Telerate Page 3750" means the display designated as "Telerate page 3750" on Dow Jones Markets (or such other page as may replace "Telerate page 3750" on such service) or such other service displaying the offer prices, as may replace Dow Jones Markets.

"Treasury Rate" means, with respect to a Remarketing Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Remarketing Date.

The Treasury Rate shall be calculated on the third Business Day preceding the Remarketing Date.

If DTC is at any time unwilling, unable or ineligible to continue as depository of the Securities of this Series and a successor depository is not appointed by the Company within 90 days, or if the Company at any time determines not to have the Securities of this Series represented by one or more registered global Securities, the Company will issue the Securities of this Series in definitive form in exchange for the registered global Securities.

The Securities are issuable only in book-entry form. The Securities may be represented by one or more registered global Securities deposited with DTC and registered in the name of the nominee of DTC, with certain limited exceptions. So long as DTC or any successor depository or its nominee is the registered holder of a global Security, DTC, such depository or such nominee, as the case may be, will be considered to be the sole holder of the Security for all purposes of the Indenture. Except as provided below, an owner of a beneficial interest in a global Security will not be entitled to have the Securities represented by such global Security registered in such owner's name, will not receive or be entitled to receive physical delivery of the Securities in certificated form and will not be considered the owner or holder thereof under the Indenture. Each person owning a beneficial interest in a global Security must rely on DTC's procedures and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. If the Company requests any action of holders or if an owner of a beneficial interest in a global Security desires to take any action that a holder is entitled to take under the Indenture, DTC will authorize the participants holding the relevant beneficial interests to give or take such action, and such participants will otherwise act upon the instructions of beneficial owners holding through them.

Initially, the Trustee will be the Security Registrar, the Paying Agent and the Transfer Agent for this Security. The Company reserves the rights at any time to remove any Paying Agent, Transfer Agent or Security Registrar without notice, to appoint additional or other Paying Agents, other Transfer Agents and other Security Registrars without notice and to approve any change in the office through which any Paying Agent, Transfer Agent or Security Registrar acts. None of the Company, the Trustee, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any depository, as a holder, with respect to this Security in global form or impair, as between such depository and owners of beneficial interests in such global Security, the operation of customary practices governing the exercise of the rights of such depository (or its nominee) as holder of such global Security.

The Company may cause CUSIP numbers to be printed on the Securities as a convenience to holders of Securities. No representation is made as to the accuracy of such numbers as printed on the Securities, and reliance may be placed only on the other identification numbers printed thereon.

This Security shall not be entitled to any benefit under the Indenture hereinafter referred to, or be valid or become obligatory for any purpose, until the Certificate of Authenticity herein shall have been signed by or on behalf of the Trustee.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of Louisiana.

EXECUTION COPY

REMARKETING AGREEMENT, dated as of October 19, 2000 (the "Remarketing Agreement"), between CenturyTel, Inc., a Louisiana corporation (the "Company") and Banc of America Securities LLC (the "Remarketing Dealer").

WHEREAS, the Company has issued \$400,000,000 aggregate principal amount of its 7.750% Remarketable Senior Notes, Series I, due 2012 (the "Remarketable Notes") pursuant to an Indenture, dated as of March 31, 1994 (the "Indenture"), between the Company and Regions Bank (successor to Regions Bank of Louisiana and First American Bank & Trust of Louisiana), as trustee (the "Trustee"); and

WHEREAS, the Remarketable Notes are being sold initially pursuant to an underwriting agreement, dated October 12, 2000 (the "Underwriting Agreement"), between the Company and Banc of America Securities LLC and Salomon Smith Barney Inc. (collectively, the "Underwriters"); and

WHEREAS, the Remarketable Notes will be offered and sold to the Underwriters as registered securities under the Securities Act of 1933, as amended (the "1933 Act"); and

WHEREAS, the Company filed a registration statement on Form S-3 (the "Registration Statement") relating to \$2,000,000,000 of senior debt securities, preferred stock, common stock and warrants, including the Remarketable Notes, at the time the Registration Statement became effective, of which the prospectus dated May 15, 2000 (the "Prospectus") was a part; and

WHEREAS, the Company has prepared a preliminary prospectus supplement dated October 5, 2000 (the "Preliminary Prospectus Supplement") and a final prospectus supplement dated October 12, 2000 (the "Prospectus Supplement") relating to the offer and sale of the Remarketable Notes (the "Offering") (as used herein, the term "Offering Document" shall be deemed to include the Prospectus Supplement, the Prospectus and all documents incorporated therein by reference, as from time to time amended or supplemented pursuant to the 1933 Act or the Securities Exchange Act of 1934, as amended (the "1934 Act"), except that if any new or revised prospectus or prospectus supplement shall be provided to the Remarketing Dealer by the Company for use in connection with the remarketing of the Remarketable Notes which differs from the Prospectus or the Prospectus Supplement, the term "Offering Document" shall refer to such new or revised prospectus or prospectus supplement, as the case may be, from and after the time it is first provided to the Remarketing Dealer for such use); and

WHEREAS, Banc of America Securities LLC is prepared to act as the Remarketing Dealer with respect to the remarketing of the Remarketable Notes on any Remarketing Date (as defined herein) pursuant to the terms of, but subject to the conditions set forth in, this Agreement;

NOW, THEREFORE, for and in consideration of the covenants herein made, and subject to the conditions set forth herein, the parties hereto agree as follows:

Section 1. Definitions. Capitalized terms used and not defined in this Agreement shall have the meanings assigned to them in the Indenture (including in the form of each of the Remarketable Notes issued thereunder).

Section 2. Representations and Warranties. (a) The Company represents and warrants to the Remarketing Dealer as of the date hereof, any Notification Date (as defined below), any Determination Date (as defined below), any Remarketing Date and until the 60th day after each such dates (each of the foregoing dates being hereinafter referred to as a "Representation Date"), that

(i) it has made all the filings with the Securities and Exchange Commission, if any (the "Commission"), that it is required to make under the 1934 Act and the rules and regulations thereunder (the "1934 Act Regulations") (collectively, the "1934 Act Documents"), (ii) each 1934 Act Document complies in all material respects with the requirements of the 1934 Act and 1934 Act Regulations, and each 1934 Act Document did not at the time of filing with the Commission, and (as to 1934 Act Documents, or portions thereof, incorporated by reference in the Offering Document) as of each Representation Date, will not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iii) the applicable Offering Document will not, as of the Remarketing Date and each date thereafter, if any, that the Remarketing Dealer provides such Offering Document in connection with the delivery of the Remarketable Notes, include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (iv) no consent, approval, authorization, order or decree of any court or governmental agency or body, excluding possible filings or registrations with the Commission or state securities regulators, is required for the consummation by the Company of the transactions contemplated by this Agreement or in connection with the remarketing of the Remarketable Notes pursuant hereto, except such as have been or shall have been obtained or rendered, as the case may be.

(b) The Company further represents and warrants to the Remarketing Dealer as of each Representation Date as follows:

(i) Each of the accountants who certified the financial statements and supporting schedules included or incorporated by reference in the Offering Document is an independent public accountant with respect to the applicable company whose financial statements are presented therein as required by the 1933 Act and the rules and regulations under the 1933 Act (the "1933 Act Regulations").

(ii) The financial statements included or incorporated by reference in the Offering Document, together with the related schedules and notes, present fairly the financial condition and results of operations of the Company and its consolidated subsidiaries, at the dates and for the periods indicated, and such financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP"). The

supporting schedules included or incorporated by reference in the Offering Document present fairly in accordance with GAAP the information required to be stated therein. Any pro forma financial statements and the related notes thereto included or incorporated by reference in the Offering Document present fairly the information shown therein, have been prepared on a basis consistent with the historical financial statements included or incorporated by reference in the Offering Document (except for the pro forma adjustments specified therein), includes all material adjustments to the historical financial information required by Rule 11-02 of Regulation S-X under the 1933 Act and the 1934 Act to reflect the transactions described in the notes to such financial information and gives effect to assumptions made on a reasonable basis.

(iii) Since the respective dates as of which information is given in the Offering Document, except as otherwise stated therein, there has been no material adverse change in the consolidated financial condition, stockholders' equity, results of operations, earnings or business prospects of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect").

(iv) The Company has been duly incorporated and is validly existing and in good standing under the laws of the jurisdiction of its incorporation, and the Company is duly qualified to do business and in good standing as a foreign corporation in each jurisdiction in which its ownership of property or conduct of its business requires such qualification, except where the failure to so qualify would not have a Material Adverse Effect, and has the corporate power and authority necessary to own or hold its properties, to conduct its business and to enter into and perform its obligations under this Agreement.

(v) Each significant subsidiary of the Company (as such term is defined in Rule 1-02 of Regulation S-X), if any (each a "Subsidiary" and, collectively, the "Subsidiaries"), has been duly organized, is validly existing and in good standing under the laws of the jurisdiction of its organization, is duly qualified to do business and in good standing as a foreign entity in each jurisdiction in which its ownership of property or conduct of its business requires such qualification, except where the failure to so qualify would not have a Material Adverse Effect, and has the power and authority necessary to own or hold its properties, to conduct its business in which it is engaged; except as otherwise disclosed in the Offering Document, all of the issued and outstanding capital stock of each such Subsidiary has been duly authorized and validly issued, is fully paid and non-assessable and is owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity; and none of the outstanding shares of capital stock of any Subsidiary was issued in violation of the preemptive or similar rights of any security holder of such Subsidiary.

(vi) This Agreement has been duly authorized, executed and delivered by the Company.

(vii) The Indenture has been duly authorized, executed and delivered by the Company, and (assuming due authorization, execution and delivery thereof by the Trustee) constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms (subject as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law).

(viii) The Remarketable Notes have been validly authorized and executed by the Company and authenticated, issued and delivered in the manner provided for in the Indenture and constitute legally binding obligations of the Company, enforceable against the Company in accordance with their terms (subject as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether considered in a proceeding in equity or at law), and are in the form contemplated by the resolutions authorizing such securities, and will be entitled to the benefits of the Indenture.

(ix) Neither the Company nor any of its Subsidiaries (if any) is in violation of (A) its corporate charter or by-laws, or (B) other organizational documents, or in default under any agreement, indenture or instrument, except for such violations or defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Indenture and the Remarketable Notes and the consummation of the transactions contemplated herein and in the Offering Document (including the issuance and sale of the Remarketable Notes and the use of the proceeds from the issuance thereof as described in the Prospectus Supplement under the caption "Use of Proceeds") have been duly authorized by all necessary corporate action and do not and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any such Subsidiary pursuant to, any material agreement, instrument (other than the Indenture) to which the Company or any such Subsidiary is a party or by which it is bound or to which any of its property or assets is subject, nor will such action result in a material violation of the charter or by-laws of the Company or other organizational documents or any such Subsidiary or any order, rule or regulation of any court or governmental agency having jurisdiction over the Company or any such Subsidiary or its property.

(x) There is no material action, suit or proceeding before any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened against or affecting the Company or any subsidiary (A) which is required to be disclosed in the Offering Document (other than as disclosed therein), or (B) which might reasonably be expected to materially and adversely affect consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder.

(xi) The Company is not an "investment company" or an entity "controlled" by an "investment company" as such terms are defined in the Investment Company Act of 1940, as amended.

(xii) The Remarketable Notes are rated at least BBB+ by Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies ("S&P"), and Baa2 by Moody's Investors Service ("Moody's") or, in each case, such other rating as to which the Company shall have most recently notified the Remarketing Dealer pursuant to Section 3(a) hereof.

(c) Any certificate signed by any director or officer of the Company and delivered to the Remarketing Dealer or to counsel for the Remarketing Dealer in connection with the remarketing of the Remarketable Notes shall be deemed a representation and warranty by the Company to the Remarketing Dealer as to the matters covered thereby.

(d) Each party represents and warrants to the other party that:

(i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Agreement; it being understood that information and explanations related to the terms and conditions of this Agreement shall not be considered investment advice or a recommendation to enter into this Agreement. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to expected results of this Agreement.

(ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Agreement. It is also capable of assuming, and assumes, the risks of this Agreement.

(iii) Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of this Agreement.

Section 3. Covenants of the Company. The Company covenants with the Remarketing Dealer as follows:

(a) The Company will provide prompt notice by telephone, confirmed in writing (which may include facsimile or other electronic transmission), to the Remarketing Dealer of (i) any notification or announcement by a "nationally recognized statistical rating agency" (as defined by the Commission for purposes of Rule 436(g)(2) under the 1933 Act) with regard to the ratings of any securities of the Company, including, without limitation, notification or announcement of a downgrade in or withdrawal of the rating of any security of the Company or notification or announcement of a downgrade in or withdrawal of the rating of any security of the Company under surveillance or review, including placement on what is currently called a "watch list" or a "credit watch" with negative implications, or (ii) the occurrence at any time of any event set forth in Section 9(c) of this Agreement.

(b) The Company will furnish to the Remarketing Dealer:

(i) not later than sixty (60) days prior to the first Remarketing Date, the Offering Document relating to the Remarketable Notes (including in each case any amendment or supplement thereto and each document incorporated therein by reference as soon as practicable when they become available);

(ii) upon the request of the Remarketing Dealer, each 1934 Act Document filed after the date hereof; and

(iii) in connection with the remarketing of the Remarketable Notes, such other information as the Remarketing Dealer may reasonably request from time to time and provide to potential investors in connection with the remarketing.

The Company agrees to provide the Remarketing Dealer with as many copies of the foregoing written materials and other Company-approved information as the Remarketing Dealer may reasonably request for use in connection with the remarketing of the Remarketable Notes and consents to the use thereof solely for such purpose in compliance with applicable law and all applicable confidentiality covenants.

(c) If, at any time from the Notification Date through the Final Remarketing Date, any event or condition known to the Company relating to or affecting the Company, any subsidiary thereof or the Remarketable Notes shall occur which would reasonably be expected to cause the Offering Document to contain an untrue statement of a material fact or omit to state a material fact, the Company shall promptly notify the Remarketing Dealer in writing of the circumstances and details of such event or condition.

(d) Prior to the Fixed Rate Remarketing Date, the Company will file all documents required to be filed with the Commission pursuant to the 1934 Act within the time periods required by the 1934 Act and the 1934 Act Regulations.

(e) The Company will comply with the 1933 Act and the 1933 Act Regulations, the 1934 Act and the 1934 Act Regulations and the 1939 Act and the rules and regulations of the Commission thereunder so as to permit the completion of the remarketing of the Remarketable Notes as contemplated in this Agreement and in each Offering Document. If, at any time when an Offering Document is required by the 1933 Act to be delivered in connection with sales of the Remarketable Notes, any event shall occur or condition shall exist as a result of which it is necessary, in the reasonable opinion of counsel for the Remarketing Dealer or for the Company, to amend an Offering Document in order that such Offering Document will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, or if it shall be necessary, in the opinion of such counsel, at any such time to amend an Offering Document or file a new registration statement or amend or supplement any Offering Document or issue a new prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations and the Commission's interpretations of the 1933 Act and the 1933 Act Regulations, the Company, at its expense, will promptly (i) prepare and file with the Commission such amendment or supplement as may be necessary to correct such statement or omission or to make the Offering Document comply with such requirements, or prepare and file any such new registration statement and prospectus as may be necessary for such

purpose, (ii) furnish to the Remarketing Dealer such number of copies of such amendment, supplement or other document as the Remarketing Dealer may reasonably request and (iii) furnish to the Remarketing Dealer an officers' certificate, an opinion, including a customary statement as to the absence of material misstatements in or omissions from the Offering Document, as amended or supplemented, of counsel for the Company reasonably satisfactory to the Remarketing Dealer and a "comfort letter" from the Company's independent accountants, in each case in form and substance reasonably satisfactory to the Remarketing Dealer, of the same tenor as the officers' certificate, opinion and comfort letter, respectively, delivered pursuant to the Underwriting Agreement, but modified to relate to the Offering Document as amended or supplemented to the date thereof or such new registration statement and prospectus.

(f) The Company agrees that neither it nor any of its subsidiaries or affiliates whose ownership would cause the Remarketable Notes to be deemed to be no longer outstanding shall purchase or otherwise acquire, or enter into any agreement to purchase or otherwise acquire, any of the Remarketable Notes prior to the remarketing thereof by the Remarketing Dealer, other than pursuant to Section 4(h) or 4(i) of this Agreement.

(g) The Company will comply with each of the covenants set forth in the Underwriting Agreement through the final Remarketing Date.

Section 4. Appointment and Obligations of the Remarketing Dealer.

(a) Unless this Agreement is otherwise terminated in accordance with Section 12 hereof, in accordance with the terms, but subject to the following conditions, of this Agreement, the Company hereby appoints Banc of America Securities LLC, and Banc of America Securities LLC hereby accepts such appointment, as the exclusive Remarketing Dealer with respect to \$400,000,000 aggregate principal amount of Remarketable Notes, subject to the possible repurchase of Remarketable Notes in accordance with clause (h) of this Section 4 or possible redemption of Remarketable Notes in accordance with clause (i) of this Section 4.

(b) It is expressly understood and agreed by the parties hereto that the obligations of the Remarketing Dealer hereunder with respect to the Remarketable Notes to be remarketed on a Remarketing Date are conditioned on (i) the issuance and delivery of such Remarketable Notes by the Company pursuant to the terms and conditions of the Underwriting Agreement and (ii) the Remarketing Dealer's election on the Notification Date (as defined below) to purchase such Remarketable Notes for remarketing. It is further expressly understood and agreed by and between the parties hereto that, if the Remarketing Dealer has elected to remarket the Remarketable Notes pursuant to clause (c) below, the Remarketing Dealer shall not be obligated to set the Interest Rate to Maturity (as defined below), or the Floating Period Interest Rate (as defined below) on any of the Remarketable Notes, to remarket any of the Remarketable Notes or to perform any of the other duties set forth herein at any time after the Notification Date for such Remarketable Notes in the event that (i) any of the conditions set forth in clause (a) or (b) of Section 9 hereof shall not have been fully and completely met to the satisfaction of the Remarketing Dealer, or (ii) any of the events set forth in clause (c) of Section 9 hereof shall have occurred.

(c) On a Business Day not earlier than 20 Business Days prior to the first Remarketing Date and not later than 4:00 p.m., New York City time, on the 15th Business Day prior to the first Remarketing Date, the Remarketing Dealer will notify the Company and the Trustee as to whether it elects to purchase the Remarketable Notes on such Remarketing Date (the "Notification Date"). If, and only if, the Remarketing Dealer so elects, such Remarketable Notes shall be subject to mandatory tender to the Remarketing Dealer for purchase and remarketing on such Remarketing Date, and the Remarketing Dealer shall purchase the Remarketable Notes on such Remarketing Date, upon the terms and subject to the conditions described herein. The Remarketable Notes will be remarketed at a fixed rate of interest, unless, on any date subsequent to the Remarketing Dealer's election to purchase the Remarketable Notes but prior to the fourth Business Day prior to the first Remarketing Date (the "Floating Period Notification Date") the Company has elected to exercise its Floating Period Option, in which case the Remarketable Notes will be remarketed at a floating rate for a period of one year, or until such a date (the "Floating Period Termination Date") which is the Reference Rate Reset Date following the date on which the Company elects to terminate such floating rate period (the "Floating Rate Period Termination Notification Date"), whichever is sooner, at which time the Remarketable Notes will be remarketed at a fixed rate of interest unless the Company has chosen to redeem, or is required to redeem, the Remarketable Notes. The purchase price of such tendered Remarketable Notes shall be equal to 100% of the aggregate principal amount thereof on the first Remarketing Date or the Dollar Price on the subsequent Remarketing Date.

(d) Subject to the Remarketing Dealer's election to remarket the Remarketable Notes as provided in clause (c) above, by 3:30 p.m., New York City time, on the third Business Day immediately preceding any Remarketing Date (the "Floating Rate Spread Determination Date" or the "Fixed Rate Determination Date" depending on the following election) the Remarketing Dealer shall determine the Floating Rate Spread in the case that the Company has elected the Floating Period Option or otherwise the Interest Rate to Maturity to the nearest one hundredth of one percent per annum (0.01%) unless the Company has chosen to redeem, or is required to redeem, the Remarketable Notes. Each Floating Period Interest Rate will equal the sum of a Reference Rate (as defined below) and the Floating Rate Spread (as defined below). The Interest Rate to Maturity shall be equal to the sum of 5.72% (the "Base Rate") and the Applicable Spread (as defined below), which will be based on the Dollar Price (as defined below) of the Remarketable Notes.

"Applicable Spread" shall be the lowest Fixed Rate Bid (as defined below), expressed as a spread (in the form of a percentage or in basis points) above the Base Rate for the Remarketable Notes, obtained by the Remarketing Dealer at 3:30 p.m., New York City time, on the Fixed Rate Determination Date from the Fixed Rate Bids quoted to the Remarketing Dealer by the Reference Corporate Dealers (as defined below). A "Fixed Rate Bid" will be an irrevocable offer to purchase the total aggregate outstanding principal amount of the Remarketable Notes at the Dollar Price (as defined below), but assuming (i) a settlement date that is the Fixed Rate Remarketing Date applicable to such Remarketable Notes, without accrued interest, (ii) a maturity date that is the tenth anniversary of the Fixed Rate Remarketing Date and (iii) a stated annual interest rate equal to the relevant Base Rate plus the spread bid by the applicable Reference Corporate Dealer (as defined below). If fewer than five Reference Corporate Dealers submit Fixed Rate Bids as described above, then the Applicable Spread shall be the lowest such Fixed Rate Bid obtained as described above. The Interest Rate to Maturity for the Remarketable Notes announced by the Remarketing Dealer, absent

manifest error, shall be binding and conclusive upon the holders of beneficial interests in the Remarketable Notes (the "Beneficial Owners"), the Company and the Trustee.

"Comparable Treasury Issue" for the Remarketable Notes means the U.S. Treasury security or securities selected by the Remarketing Dealer, as of the first Determination Date, as being the then current on-the-run ten-year U.S. Treasury security (meaning the then most recently issued ten-year U.S. Treasury security), unless, in the reasonable judgment of the Remarketing Dealer, the then on-the-run ten-year U.S. Treasury Security is not then being used as the "pricing bond" for comparable corporate issues, in which case, the Comparable Treasury Issue will mean the "pricing bond" used at the time for comparable corporate issues or, if, in the reasonable judgment of the Remarketing Dealer, there is no such "pricing bond", then the Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by the Remarketing Dealer as of the first Determination Date as having an actual maturity comparable to the remaining term of the Remarketable Notes.

"Comparable Treasury Price" means, with respect to the first Remarketing Date, (i) the offer prices for the Comparable Treasury Issues (expressed in each case as a percentage of its principal amount) at 12:00 noon, New York City time, on the first Determination Date, as set forth on "Telerate Page 500" (as defined below) (or such other page as may replace "Telerate Page 500"), or (ii) if such page (or any successor page) is not displayed or does not contain such offer prices on such Determination Date, (A) the average of the Reference Treasury Dealer Quotations (as defined below) for such Remarketing Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Remarketing Dealer obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Reference Treasury Dealer Quotations. "Telerate Page 500" means the display designated as "Telerate Page 500" on Dow Jones Markets (or such other page as may replace Telerate Page 500 on such service) or such other service displaying the offer prices specified in clause (i) above as may replace Dow Jones Markets. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer (as defined below), the offer prices for the Comparable Treasury Issues (expressed in each case as a percentage of its principal amount) quoted in writing to the Remarketing Dealer by such Reference Treasury Dealer by 3:30 p.m., New York City time, on the first Determination Date.

"Dollar Price" means, with respect to the Remarketable Notes

(1) the principal amount of such Remarketable Notes, plus (2) the premium equal to the excess, if any, of (A) the present value, as of the first Remarketing Date, of the Remaining Scheduled Payments (as defined below) for such Remarketable Notes, discounted to such first Remarketing Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate, over (B) the principal amount of such Remarketable Notes.

"Fixed Rate Determination Date" means the third Business Day prior to the Fixed Rate Remarketing Date.

"Fixed Rate Remarketing Date" means the first Remarketing Date, assuming the Remarketing Dealer has elected to purchase the Remarketable Notes and the Company has not elected to exercise its Floating Period Option, or the subsequent Remarketing Date on which the Remarketing Dealer is obligated to remarket the Remarketable Notes in the event that the Company has elected to exercise its Floating Period Option.

"Floating Period Interest Rate" means the sum of the Reference Rate and the Floating Rate Spread.

"Floating Period Option" means the Company's right, on any date subsequent to the Remarketing Dealer's election to purchase the Remarketable Notes, but prior to the fourth Business Day immediately preceding the first Remarketing Date, to require the Remarketing Dealer to remarket the Remarketable Notes at the Floating Period Interest Rate.

"Floating Rate Period" with respect to the Remarketable Notes means the period from (and including) the Floating Rate Remarketing Date to (but excluding) the Floating Period Termination Date.

"Floating Rate Remarketing Date(s)" means October 15, 2002 in the event that the Company has elected to exercise its Floating Period Option.

"Floating Rate Reset Period" means the period from (and including) the first Reference Rate Reset Date to (but excluding) the next following Reference Rate Reset Date and thereafter the period from (and including) a Reference Rate Reset Date to (but excluding) the next following Reference Rate Reset Date; provided that the final Floating Rate Reset Period during the Floating Rate Period shall run to (but exclude) the Floating Period Termination Date.

"Floating Rate Spread" shall be the lowest Floating Rate Bid expressed as a spread (in the form of a percentage or in basis points) above the Reference Rate for the Remarketable Notes obtained by the Remarketing Dealer at 3:30 p.m., New York City time, on the third Business Day prior to the Floating Rate Remarketing Date, from the Floating Rate Bids quoted to the Remarketing Dealer by the Reference Money Market Dealers (as defined below). A "Floating Rate Bid" will be an irrevocable offer to purchase the total aggregate outstanding principal amount of the Remarketable Notes at the Dollar Price, but assuming (i) a settlement date that is the Floating Rate Remarketing Date, applicable to such Remarketable Notes, without accrued interest, (ii) a maturity date equal to the Floating Period Termination Date, (iii) a stated annual interest rate equal to the Reference Rate plus the Floating Rate Spread, (iv) that the Remarketable Notes are callable by the Remarketing Dealer, at the Dollar Price, on the Floating Period Termination Date and (v) that the Remarketable Notes will be repurchased by the Company at the Dollar Price on the Floating Period Termination Date if not previously repurchased by the Remarketing Dealer. If fewer than five Reference Money Market Dealers submit Floating Rate Bids as described above, then the Floating Rate Spread shall be the lowest such Floating Rate Bid obtained as described above. The Floating Period Interest Rate for the Remarketable Notes announced by the Remarketing Dealer, absent manifest error, shall be binding and conclusive upon the holders of beneficial interests in such Remarketable Notes (the "Beneficial Owners"), the Company and the Trustee.

"Floating Rate Spread Determination Date" means the third Business Day prior to the Floating Rate Remarketing Date.

"Interest Rate to Maturity" means the sum of the Base Rate and the Applicable Spread.

"Reference Corporate Dealer" means each of up to five leading dealers of publicly traded debt securities, including debt securities of the Company, which shall be selected by the Company. The Company shall advise the Remarketing Dealer of its selection of Reference Corporate Dealers no later than five Business Days prior to the Fixed Rate Remarketing Date. One of such Reference Corporate Dealers selected by the Company shall be Banc of America Securities LLC if it is then the Remarketing Dealer.

"Reference Money Market Dealer" means each of up to five leading dealers of publicly traded debt securities, including debt securities of the Company, which shall be selected by the Company, who are also dealers in money market instruments. The Company shall advise the Remarketing Dealer of its selection of Reference Money Market Dealers no later than five Business Days prior to the Floating Rate Remarketing Date. One of such Reference Money Market Dealers selected by the Company shall be Banc of America Securities LLC if it is then the Remarketing Dealer.

"Reference Rate" means the rate for each Floating Rate Reset Period which shall be the rate for deposits in U.S. Dollars for a period of one month which appears on the Telerate Page 3750 (or any successor page) as of 11:00 a.m., London time, on the applicable Reference Rate Determination Date. If no rate appears on Telerate Page 3750 on the Reference Rate Determination Date, the Remarketing Dealer will request the principal London offices of four major reference banks in the London Inter-Bank Market, to provide it with its offered quotations for deposits in U.S. Dollars for the period of one month, commencing on the first day of the Floating Rate Reset Period, to prime banks in the London Inter-Bank Market at approximately 11:00 a.m., London time, on that Reference Rate Determination Date and in a principal amount that is representative for a single transaction in U.S. Dollars in that market at that time. If at least two quotations are provided, then the Reference Rate will be the average of those quotations. If fewer than two quotations are provided, then the Reference Rate will be the average (rounded, if necessary, to the nearest one hundredth of a percent (0.01%)) of the rates quoted at approximately 11:00 a.m., New York City time, on the Reference Rate Determination Date by three major banks in New York City selected by the Remarketing Dealer for loans in U.S. Dollars to leading European banks, having a one-month maturity and in a principal amount that is representative for a single transaction in U.S. Dollars in that market at that time. If the banks selected by the Remarketing Dealer are not providing quotations in the manner described by this paragraph, the rate for the Floating Rate Reset Period following the Reference Rate Determination Date will be the rate in effect on that Reference Rate Determination Date.

"Reference Rate Determination Date" shall be the second LIBOR Business Day preceding each Reference Rate Reset Date.

"Reference Rate Reset Date" means the first Remarketing Date or the 15th day of each month thereafter until (but excluding) the Floating Period Termination Date.

"Reference Treasury Dealer" means each of up to five dealers to be selected by the Company, and their respective successors; provided that if any of the foregoing or their affiliates ceases to be a primary U.S. Government securities dealer (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer. The Company shall advise the Remarketing Dealer of its selection of Reference Treasury Dealers no later than five Business Days prior to the Fixed Rate Remarketing Date. One of such Reference Treasury Dealers selected by the Company shall be Banc of America Securities LLC if it is then acting as the Remarketing Dealer.

"Remaining Scheduled Payments" means, with respect to the Remarketable Notes, the remaining scheduled payments of the principal thereof and interest thereon, calculated at the Base Rate, that would be due after the first Remarketing Date to and including the Stated Maturity Date; provided that if such Remarketing Date is not an Interest Payment Date for the Remarketable Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to the first Remarketing Date.

"Remarketing Date(s)" means (a) October 15, 2002 in the event the Remarketing Dealer elects to remarket the Remarketable Notes and the Company does not exercise its Floating Period Option or (b) October 15, 2002 and a subsequent remarketing date which shall fall on the 15th day of any one of the 12 consecutive months subsequent to the first Remarketing Date until October 15, 2003 if the Remarketing Dealer elects to remarket the Remarketable Notes and the Company has elected to exercise its Floating Period Option.

"Stated Maturity Date" means October 15, 2012, or in the event that the Company elects to exercise its Floating Period Option, the tenth anniversary of the Fixed Rate Remarketing Date, but not later than October 15, 2013.

"Treasury Rate" means, with respect to a Remarketing Date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of their principal amounts) equal to the Comparable Treasury Price for such Remarketing Date.

(e) Subject to the Remarketing Dealer's election to remarket the Remarketable Notes and to the Company's election not to exercise its Floating Period Option, as provided in clause (c) above, the Remarketing Dealer shall notify the Company, the Trustee and The Depository Trust Company ("DTC") by telephone, confirmed in writing (which may include facsimile or other electronic transmission), by 4:00 p.m., New York City time, on the Fixed Rate Determination Date of the Interest Rate to Maturity of the Remarketable Notes effective from and including the Fixed Rate Remarketing Date.

(f) Subject to the Remarketing Dealer's election to remarket the Remarketable Notes as provided in clause (c) above, on any Remarketing Date the Remarketing Dealer shall sell the total aggregate principal amount of the Remarketable Notes at the Dollar Price to the Reference Money Market Dealer or to the Reference Corporate Dealer, whichever is applicable, providing the lowest Bid. If the lowest Bid is submitted by two or more of the applicable Reference Dealers, the Remarketing Dealer may sell such Remarketable Notes to one or more of such Reference Dealers as it shall determine in its sole discretion.

(g) In the event that the Remarketable Notes are remarketed as provided herein, the Remarketing Dealer shall pay to the Trustee, not later than 12:00 noon, New York City time, on the first Remarketing Date, an amount equal to 100% of the aggregate principal amount of such Remarketable Notes or on any subsequent Remarketing Date, an amount equal to the Dollar Price. On such Remarketing Date, the Remarketing Dealer shall cause the Trustee to make payment to the DTC participant of each tendering Beneficial Owner of Remarketable Notes subject to remarketing by book-entry through DTC by the close of business on such Remarketing Date against delivery through DTC of such Beneficial Owner's tendered Remarketable Notes, of the purchase price for such tendered Remarketable Notes that have been purchased for remarketing by the Remarketing Dealer. The purchase price of such tendered Remarketable Notes shall be equal to 100% of the aggregate principal amount thereof on the first Remarketing Date and the Dollar Price on the subsequent Remarketing Date. The Company shall make, or cause the Trustee to make, payment of interest to each Beneficial Owner of Remarketable Notes due on a Remarketing Date by book entry through DTC by the close of business on such Remarketing Date.

(h) Subject to Section 12(c) of this Agreement, with respect to the Remarketable Notes, in the event that (i) the Remarketing Dealer for any reason does not notify the Company of the Floating Period Interest Rate or of the Interest Rate to Maturity by 4:00 p.m., New York City time, on the applicable Determination Date, (ii) prior to any Remarketing Date, the Remarketing Dealer resigns and no successor has been appointed on or before such Determination Date, (iii) at any time after the Remarketing Dealer elects on the Notification Date to remarket such Remarketable Notes, the Remarketing Dealer elects to terminate the Remarketing Agreement in accordance with its terms, an event set forth in Section 9 or Section 12 of this Agreement having occurred,

(iv) the Remarketing Dealer for any reason does not elect by notice to the Company and the Trustee not later than such Notification Date to purchase such Remarketable Notes for remarketing on such Remarketing Date, (v) the Remarketing Dealer for any reason does not deliver the purchase price of such Remarketable Notes to the Trustee on the Remarketing Date as required by clause (g) above or does not purchase all tendered Remarketable Notes on such Remarketing Date, or

(vi) the Company for any reason fails to redeem the Remarketable Notes from the Remarketing Dealer following the Company's election to effect such redemption as specified in Section 4(i) of this Agreement, the Company shall repurchase the Remarketable Notes in whole on such Remarketing Date at a price equal to 100% of the aggregate principal amount of the Remarketable Notes if such Remarketing Date is the first Remarketing Date, or at the Dollar Price on the subsequent Remarketing Date plus all accrued and unpaid interest, if any. In any such case, payment will be made by the Company through the Trustee to the DTC participant of each tendering Beneficial Owner of Remarketable Notes, by book-entry through DTC by the close of business on such Remarketing Date, against delivery through DTC of such Beneficial Owner's tendered Remarketable Notes.

(i) If the Remarketing Dealer elects to remarket the Remarketable Notes as provided in clause (c) above, then not later than 4:00 p.m., New York City time, on the Business Day immediately preceding any Determination Date, the Company may irrevocably elect, by written notice to the Remarketing Dealer and the Trustee, to redeem the Remarketable Notes, in whole but not in part, from the Remarketing Dealer on the Remarketing Date immediately following such Determination Date at the Dollar Price, plus accrued and unpaid interest therefor in same-day funds by wire transfer to an account designated by the Remarketing Dealer on such Remarketing Date, and shall thereafter have no obligation to pay the Calculation Amount (as defined herein) with respect to the Remarketable Notes. If the Company fails to redeem the Remarketable Notes from the Remarketing Dealer following any such election, the Remarketing Dealer will be deemed to have elected not to remarket the Remarketable Notes, subject to the obligation of the Company to pay the Calculation Amount to the Remarketing Dealer as provided in Section 12(e) of this Agreement. If the Company pays the Calculation Amount to the Remarketing Dealer and repurchases the Remarketable Notes pursuant to Section 4(h), it shall thereafter have no obligation to pay the Dollar Price with respect to the Remarketable Notes.

(j) In accordance with the terms and provisions of the Remarketable Notes, the tender and settlement procedures set forth in this Section 4, including provisions for payment by the purchaser of Remarketable Notes in a remarketing or for payment to selling Beneficial Owners of tendered Remarketable Notes, shall be subject to modification to the extent required by DTC or, if the book-entry system is no longer available for the Remarketable Notes at a time of their remarketing, to the extent required to facilitate the tendering and remarketing of the Remarketable Notes in certificated form. In addition, the Remarketing Dealer may modify the settlement procedures (to the extent not inconsistent with the Indenture) in order to facilitate the settlement process.

(k) In accordance with the terms and provisions of the Remarketable Notes, the Company hereby agrees that at all times, (i) it will use its best efforts to maintain the Remarketable Notes in book-entry form with DTC or any successor thereto and to appoint a successor depositary to the extent necessary to maintain the Remarketable Notes in book-entry form and (ii) it will waive any discretionary right it otherwise may have under the Indenture to cause the Remarketable Notes to be issued in certificated form.

Section 5. Fees and Expenses. Subject to Section 12 of this Agreement, for its services in performing its duties set forth herein, the Remarketing Dealer will not receive any fees or reimbursement of expenses from the Company, unless the Company and the Remarketing Dealer enter into a negotiated transaction to determine the new interest rate, in lieu of the bidding process described herein.

Section 6. Resignation of the Remarketing Dealer. The Remarketing Dealer may resign and be discharged from its duties and obligations hereunder with respect to the Remarketable Notes at any time, such resignation to be effective 10 Business Days after delivery of a written notice to the Company and the Trustee of such resignation. The Remarketing Dealer also may resign and be discharged from its duties and

obligations hereunder at any time with respect to the Remarketable Notes, such resignation effective immediately, upon termination of the obligations of the Remarketing Dealer with respect to the Remarketable Notes under this Agreement in accordance with Section 12(b) hereof. It shall be the sole obligation of the Company to appoint a successor Remarketing Dealer with respect to the Remarketable Notes. In the event of the resignation of the Remarketing Dealer with respect to the Remarketable Notes for any reason other than upon the termination of the obligations of the Remarketing Dealer with respect to the Remarketable Notes under this Agreement in accordance with Section 12(b) hereof, no amount will be due from the Company to the Remarketing Dealer.

Section 7. Dealing in the Remarketable Notes. Banc of America Securities LLC, or any subsequent Remarketing Dealer, when acting as the Remarketing Dealer or in its individual or any other capacity, may, to the extent permitted by law, buy, sell, hold and deal in any of the Remarketable Notes. Banc of America Securities LLC, as Holder or Beneficial Owner of Remarketable Notes, may exercise any vote or join as a Holder or Beneficial Owner, as the case may be, in any action which any Holder or Beneficial Owner of Remarketable Notes may be entitled to take pursuant to the Indenture with like effect as if it did not act in any capacity hereunder. The Remarketing Dealer, in its capacity either as principal or agent, may also engage in or have an interest in any financial or other transaction with the Company as freely as if it did not act in any capacity hereunder.

Section 8. Information. The Company agrees to furnish to the Remarketing Dealer until the Fixed Rate Remarketing Date (i) copies of each report or other document mailed or filed by the Company with the Commission, including the Offering Document relating to the Remarketable Notes (including in each case any documents incorporated by reference), (ii) notice of the occurrence of any of the events set forth in clause (c) of Section 9 hereof, and (iii) in connection with any remarketing, such other information as the Remarketing Dealer may reasonably request, including, but not limited to, the financial condition of the Company or any material subsidiary thereof. The Company agrees to provide the Remarketing Dealer with as many copies of the foregoing materials and information as the Remarketing Dealer may reasonably request for use in connection with any remarketing and consents to the use thereof for such purpose as promptly as practicable after such materials and information become available.

Section 9. Conditions to Remarketing Dealer's Obligations. The obligations of the Remarketing Dealer under this Agreement have been undertaken in reliance on, and shall be subject to, (a) the due performance in all material respects by the Company of its obligations and agreements as set forth in this Agreement and the accuracy in all material respects on each Representation Date of the representations and warranties in this Agreement (without regard to any materiality qualifications contained therein) and any certificate delivered pursuant hereto, (b) the due performance in all material respects by the Company of its obligations and agreements set forth in, and the accuracy in all material respects solely as of the dates specified therein of the representations and warranties contained in, the Underwriting Agreement, and (c) the further condition that none of the following events shall have occurred after the Remarketing Dealer elects on the Notification Date to remarket the Remarketable Notes and on or before any Remarketing Date:

(i) the rating of any securities of the Company shall have been downgraded or put under surveillance or review with negative implications, including being put on what is commonly termed a "credit watch" or a "watch list," or withdrawn by a nationally recognized statistical rating agency;

(ii) without the prior written consent of the Remarketing Dealer, the Indenture (including the Remarketable Notes) shall have been amended in any manner, or otherwise contain any provision not contained therein as of the date hereof, that in either case in the judgment of the Remarketing Dealer materially changes the nature of the Remarketable Notes or the remarketing procedures (it being understood that, notwithstanding the provisions of this clause (ii), the Company shall not be prohibited from amending the Indenture);

(iii) trading in any securities of the Company shall have been suspended or materially limited by the Commission, or if trading generally on the American Stock Exchange or the New York Stock Exchange or in the Nasdaq National Market shall have been suspended or materially limited, or minimum or maximum prices for trading shall have been fixed, or maximum ranges for prices shall have been required, by any of said exchanges or by such system or by order of the Commission, the National Association of Securities Dealers, Inc. or any governmental authority, or if a banking moratorium shall have been declared by either Federal or New York authorities and, in all such cases, any such suspension, limitation or moratorium continues to remain in effect;

(iv) there shall have occurred any material adverse change in the financial or securities markets in the United States, or in political, financial or economic conditions in the United States or any outbreak of hostilities involving the United States or material escalation thereof or declaration by the United States of a national emergency or war or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions, in each case the effect of which is such as to make it, in the judgment of the Remarketing Dealer, impracticable to remarket the Remarketable Notes or to enforce contracts for the sale of the Remarketable Notes;

(v) an Event of Default, or any event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, with respect to the Remarketable Notes shall have occurred and be continuing or an Event of Default or any event which, with the giving of notice or passage of time, or both, would constitute an Event of Default with respect to any derivative transaction between the Company and the Remarketing Dealer effected pursuant to an ISDA Master Agreement between the Company and the Remarketing Dealer shall have occurred and be continuing;

(vi) a material adverse change in the consolidated financial condition, stockholders' equity, results of operations, or business prospects of the Company and its subsidiaries taken as a whole the effect of which is such as to make it, in the judgment of the Remarketing Dealer, impracticable to remarket the Remarketable Notes or to enforce contracts for the sale of Remarketable Notes;

(vii) if a prospectus is required under the 1933 Act to be delivered in connection with the remarketing of the Remarketable Notes, the Company shall fail to furnish to the Remarketing Dealer on any Remarketing Date the officer's certificate, opinion and comfort letter referred to in Section 3(e) of this Agreement and such other documents and opinions as counsel for the Remarketing Dealer may reasonably require for the purpose of enabling such counsel to pass upon the sale of the Remarketable Notes in a remarketing as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and the Remarketing Dealer shall have received on any Remarketing Date a certificate of the Chairman of the Board, the President, the Chief Financial Officer or a Vice President of the Company, and the Treasurer or an Assistant Treasurer of the Company, dated as of such Remarketing Date, to the effect that (i) the representations and warranties in this Agreement are true and correct in all material respects with the same force and effect as though expressly made at and as of such Remarketing Date, (ii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to such Remarketing Date and (iii) none of the events specified in clause

(c) (vi) has occurred;

(viii) if fewer than two Reference Dealers shall have provided the Remarketing Dealer with Bids by 3:30 p.m., New York City time, on any Determination Date; or

(ix) an Event of Default (as defined in the applicable instrument establishing or evidencing any Senior Indebtedness of the Company) shall have occurred and be continuing with respect to any Senior Indebtedness of the Company having an aggregate principal amount of not less than \$25,000,000. "Senior Indebtedness" shall mean any indebtedness for borrowed money which is not by its terms subordinate in right of payment of principal and interest to the Remarketable Notes.

(x) the Remarketable Notes are not maintained in book-entry form with DTC or any successor thereto; provided, that the Remarketing Dealer in its sole discretion and subject to receipt of an opinion of counsel for the Company reasonably satisfactory to the Remarketing Dealer may waive the foregoing condition if in the Remarketing Dealer's judgment the Indenture and the Remarketable Notes can be amended, and they are amended, so as to permit the remarketing of the Remarketable Notes in certificated form and otherwise as contemplated herein.

In furtherance of the foregoing, the effectiveness of the Remarketing Dealer's election on the Notification Date to remarket the Remarketable Notes shall be subject to the condition that the Remarketing Dealer shall have received a certificate of the Chairman of the Board, the President, the Chief Financial Officer or a Vice President of the Company, and the Treasurer or an Assistant Treasurer of the Company, dated as of the Notification Date, to the effect that (i) the Company has, prior to the Remarketing Dealer's election on the Notification Date to remarket the Remarketable Notes, provided the Remarketing Dealer with notice of all events as required under Section 3(a) of this Agreement, (ii) the representations and warranties of the Company in this Agreement are true and correct in all material respects at and as of the Notification Date and (iii) the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Notification Date. Such certificate shall be delivered by the Company to the Remarketing Dealer as soon as practicable following notification by the Remarketing Dealer to the Company on the Notification Date of its election to remarket the Remarketable Notes and in any event prior to the first Determination Date.

In the event of the failure of any of the foregoing conditions, the Remarketing Dealer may terminate its obligations under this Agreement or redetermine any of the Floating Period Interest Rates and/or the Interest Rate to Maturity as provided in Section 12.

Section 10. Indemnification. (a) The Company agrees to indemnify and hold harmless the Remarketing Dealer and its officers, directors and employees and each person, if any, who controls the Remarketing Dealer within the meaning of Section 20 of the 1934 Act as follows:

(i) against any loss, liability, claim, damage and expense whatsoever, as incurred, arising out of (A) the failure to have an effective registration statement under the 1933 Act relating to the Remarketable Notes, if required, or the failure to satisfy the prospectus delivery requirements of the 1933 Act because the Company failed to provide the Remarketing Dealer with an updated prospectus for delivery or (B) any untrue statement or alleged untrue statement of a material fact contained in any of the Remarketing Materials (including any incorporated documents), or (C) the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, or (D) any violation by the Company of, or any failure by the Company to perform any of its obligations under, this Agreement, or (E) the acts or omissions of the Remarketing Dealer in connection with its duties and obligations hereunder except to the extent finally judicially determined to be due to its gross negligence or willful misconduct;

(ii) against any loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or of any claim whatsoever arising out of, or based upon, any of items (A) through (E) in clause (i) above; provided, that (subject to clause (d) below) such settlement is effected with the written consent of the Company, which consent shall not be unreasonably withheld; and

(iii) against any expense whatsoever, as incurred (including the fees and disbursements of counsel chosen by the Remarketing Dealer), reasonably incurred in investigating, preparing or defending against any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever arising out of, or based upon, any of items (A) through (E) in clause (i) above to the extent that any such expense is not paid under clause (i) or (ii) above; provided, that the foregoing indemnity shall not apply to any losses, liabilities, claims, damages and expenses to the extent arising out of any untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Remarketing Dealer expressly for use in the Remarketing Materials.

(b) The Remarketing Dealer agrees to indemnify and hold harmless the Company, its directors and each of its officers from and against any

loss, liability, claim, damage and expense, as incurred, and will reimburse the expenses reasonably incurred in investigating or defending against any such loss, liability, claim, damage and expense, as incurred but only with respect to untrue statements or omissions made in Remarketing Materials in reliance upon and in conformity with information furnished to the Company in writing by the Remarketing Dealer expressly for use in such Remarketing Materials. The indemnity agreement in this clause (b) shall extend upon the same terms and conditions to each person, if any, who controls the Company within the meaning of Section 20 of the 1934 Act.

(c) Each indemnified party shall give notice as promptly as reasonably practicable to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability hereunder to the extent it is not materially prejudiced as a result thereof and in any event shall not relieve it from any liability which it may have otherwise than on account of this indemnity agreement. In the case of parties indemnified pursuant to clause (a) above, counsel to the indemnified parties shall be selected by the Company, and, in the case of parties indemnified pursuant to clause (b) above, counsel to the indemnified parties shall be selected by Banc of America Securities LLC. An indemnifying party may participate at its own expense in the defense of any such action; provided that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party. In no event shall the indemnifying parties be liable for fees and expenses of more than one counsel (in addition to any local counsel) separate from their own counsel for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. No indemnifying party shall, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever in respect of which indemnification or contribution could be sought under this Section 10 or 11 hereof (whether or not the indemnified parties are actual or potential parties thereto), unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such litigation, investigation, proceeding or claim and (ii) does not include a statement as to an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel, such indemnifying party agrees that it shall be liable for any settlement of the nature contemplated by clause (a) (ii) effected without its written consent if (i) such settlement is entered into more than 90 days after receipt by such indemnifying party of the aforesaid request, (ii) such indemnifying party shall have received notice of the terms of such settlement at least 30 days prior to such settlement being entered into and (iii) such indemnifying party shall not have reimbursed such indemnified party in accordance with such request prior to the date of such settlement.

(e) The indemnity agreement contained in this Section 10 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Dealer, and shall survive the termination or cancellation of this Agreement and the remarketing of any Remarketable Notes hereunder.

Section 11. Contribution. If the indemnification provided for in

Section 10 hereof is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Remarketing Dealer on the other hand from the remarketing of the Remarketable Notes pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the Remarketing Dealer on the other hand in connection with the acts, failures to act, statements or omissions which resulted in such losses, liabilities, claims, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and the Remarketing Dealer on the other hand in connection with the remarketing of the Remarketable Notes pursuant to this Agreement shall be deemed to be in the same respective proportions as (i) the aggregate principal amount of the Remarketable Notes, and (ii) the aggregate positive difference, if any, between the price paid by the Remarketing Dealer for the Remarketable Notes tendered on a Remarketing Date and the price at which the Remarketable Notes are sold by the Remarketing Dealer in the remarketing.

The relative fault of the Company on the one hand and the Remarketing Dealer on the other hand shall be determined by reference to, among other things, the responsibility hereunder of the applicable party for any act or failure to act relating to the losses, liabilities, claims, damages or expenses incurred or, in the case of any losses, liabilities, claims, damages or expenses arising out of any untrue or alleged untrue statement of a material fact contained in any of the Remarketing Materials or the omission or alleged omission to state a material fact therefrom, whether any such untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Remarketing Dealer and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Remarketing Dealer agree that it would not be just and equitable if contribution pursuant to this Section 11 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 11. The aggregate amount of losses, liabilities, claims, damages and expenses incurred by an indemnified party and referred to above in this Section 11 shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in investigating, preparing or defending against any litigation or any investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such act or failure to act or untrue or alleged untrue statement or omission or alleged omission.

Notwithstanding the provisions of this Section 11, the Remarketing Dealer shall not be required to contribute any amount in excess of the amount by which the total price at which the Remarketable Notes remarketed by it and resold to the public were sold to the public exceeds the amount of any damages which the Remarketing Dealer has otherwise been required to pay by reason of any act or failure to act for which it is responsible hereunder or any untrue or alleged untrue statement or omission or alleged omission.

No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

For purposes of this Section 11, each person, if any, who controls the Remarketing Dealer within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Remarketing Dealer, and each director of the Company, each officer of the Company who signed any Offering Document, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act shall have the same rights to contribution as the Company.

Section 12. Termination of Remarketing Agreement or Redetermination of Interest Rate to Maturity. (a) The obligations of the Remarketing Dealer under this Agreement shall terminate with respect to the Remarketable Notes on the effective date of the resignation of the Remarketing Dealer pursuant to Section 6 hereof with respect to the Remarketable Notes or the repurchase of the Remarketable Notes by the Company pursuant to Section 4(h) hereof or the redemption of the Remarketable Notes by the Company pursuant to Section 4(i) hereof or a combination of the two which results in all of the Remarketable Notes being repurchased or redeemed by the Company.

(b) In addition, the Remarketing Dealer may terminate all of its obligations under this Agreement with respect to the Remarketable Notes, or in its sole discretion, its obligations to purchase and remarket the Remarketable Notes, if the Remarketing Dealer notifies the Company and the Trustee of its election to do so in a written notice that references this section, at any time on or before any Remarketing Date, in the event that with respect to the Remarketable Notes, (i) any of the conditions referred to or set forth in Section 9(a) or (b) hereof have not been met or satisfied in full, (ii) any of the events set forth in Section 9(c) shall have occurred after the Remarketing Dealer elects on the Notification Date to remarket the Remarketable Notes, (iii) the Remarketing Dealer determines, in its sole discretion, after consultation with the Company, that it shall not have received all of the information, whether or not specifically referenced herein, necessary to fulfill its obligations under this Agreement with respect to the Remarketable Notes, or (iv) either of the events set forth in Section 9(c)(v) or 9(c)(ix) hereof shall have occurred at any time and shall not have been cured within 30 days.

(c) Notwithstanding any provision herein to the contrary, in lieu of terminating this Agreement pursuant to Section 12(b) above, upon the occurrence of any of the events set forth therein, the Remarketing Dealer, in its sole discretion at any time between any Determination Date and 3:30 p.m., New York City time, on the Business Day immediately preceding any Remarketing Date, may elect to purchase the Remarketable Notes for remarketing and determine a new Floating Period Interest Rate or Interest Rate to Maturity in the manner provided in Section 4(d) of this Agreement, except that for purposes of determining the new Floating Period Interest Rate or Interest Rate to Maturity pursuant to this paragraph the Determination Date referred to therein shall be the date of such election and redetermination. The Remarketing Dealer shall notify the Company, the Trustee and DTC by telephone, confirmed in writing (which may include facsimile or other electronic transmission), by 4:00 p.m., New York City time, on the date of such election, of the new Floating Period Interest Rate or Interest Rate to Maturity, as the case may be, of the Remarketable Notes. Thereupon, such new Floating Period Interest Rate or Interest Rate to Maturity shall supersede and replace any Floating Period Interest Rate or Interest Rate to Maturity previously determined by the Remarketing Dealer and, absent manifest error, shall be binding and conclusive upon the Beneficial Owners and Holders of the Remarketable Notes on and after such Remarketing Date, the Company and the Trustee; provided, that the Remarketing Dealer, by redetermining the Floating Period Interest Rate or Interest Rate to Maturity upon the occurrence of any event set forth in Section 12(b) as set forth above, shall not thereby be deemed to have waived its right to determine a new Floating Period Interest Rate or Interest Rate to Maturity or terminate this Agreement upon the occurrence of any other event set forth in Section 12(b).

(d) If this Agreement is terminated pursuant to this Section 12, such termination shall be without liability of any party to any other party, except that, in the case of termination pursuant to Section 12(b) of this Agreement, the Company shall reimburse the Remarketing Dealer for all of its reasonable out-of-pocket expenses incurred in connection with this Agreement or the remarketing of the Remarketable Notes pursuant to this Agreement, including the reasonable fees and disbursements of counsel for the Remarketing Dealer, and except as further set forth in Section 12(e) below. Sections 1, 10, 11, 12(d), and 12(e) shall survive such termination and remain in full force and effect.

(e) In the case of either (i) termination of this Agreement pursuant to Section 12(b), (ii) the occurrence, prior to the Remarketing Dealer's election on the Notification Date to remarket the Remarketable Notes, of any event set forth in Section 9(c)(ii) or (v), or (iii) any failure by the Company to redeem such Remarketable Notes from the Remarketing Dealer following any election by the Company to effect such redemption as specified in Section

4(i) (each a "Calculation Event"), the Company shall immediately following the Calculation Amount Determination Date (as defined below) pay the Remarketing Dealer, in same-day funds by wire transfer to an account designated by the Remarketing Dealer, the fair market value, calculated as set forth below, of the Remarketing Dealer's rights to purchase and remarket such Remarketable Notes pursuant to this Agreement (the "Calculation Amount").

The Calculation Amount will be determined by the Remarketing Dealer in good faith and on a commercially reasonable basis and will be equal to an amount, if any, that would be paid by the Remarketing Dealer in consideration of an agreement between the Remarketing Dealer and a Reference Dealer (other than the Remarketing Dealer) to enter into a transaction that would have the effect of preserving for the Remarketing

Dealer the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent) by the Remarketing Dealer and Beneficial Owners that would, but for the occurrence of the Calculation Event, have been required on a Remarketing Date. In determining the Calculation Amount, the Remarketing Dealer will be entitled to assume that such Remarketable Notes are obligations issued by the United States Department of the Treasury backed by the full faith and credit of the United States of America. The Remarketing Dealer shall determine the applicable Calculation Amount as soon as practicable after the occurrence of any of the events as described in (i) through (iii) in the preceding paragraph (the "Calculation Amount Determination Date"). The Remarketing Dealer shall promptly notify the Company of the Calculation Amount Determination Date and the Calculation Amount by telephone, confirmed in writing (which may include facsimile or other electronic transmission). The Calculation Amount, absent manifest error, shall be binding and conclusive upon the parties hereto.

(f) This Agreement shall not be subject to termination by the Company.

Section 13. Remarketing Dealer's Performance; Duty of Care. The duties and obligations of the Remarketing Dealer shall be determined solely by the express provisions of this Agreement and the Indenture. No implied covenants or obligations of or against the Remarketing Dealer shall be read into this Agreement or the Indenture. In the absence of bad faith on the part of the Remarketing Dealer, the Remarketing Dealer may conclusively rely upon any document furnished to it, which purports to conform to the requirements of this Agreement and the Indenture, as to the truth of the statements in any of such documents. The Remarketing Dealer shall be protected in acting upon any document or communication reasonably believed by it to have been signed, presented or made by the proper party or parties. In connection with this Agreement, the Remarketing Dealer shall incur no liability to the Company or to any Beneficial Owner or Holder of Remarketable Notes in its individual capacity or as Remarketing Dealer for any action or failure to act in connection with remarketing or otherwise, except as a result of gross negligence or willful misconduct on its part.

Section 14. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE.

Section 15. Term of Agreement. Unless otherwise terminated in accordance with the provisions hereof, this Agreement shall remain in full force and effect from the date hereof until the earlier of the first day thereafter on which no Remarketable Notes are outstanding or the Fixed Rate Remarketing Date. Regardless of any termination of this Agreement pursuant to any of the provisions hereof, the obligations of the Company pursuant to Sections 10, 11 and 12 hereof shall remain operative and in full force and effect until fully satisfied.

Section 16. Successors and Assigns. The rights and obligations of the Company hereunder may not be assigned or delegated to any other person without the prior written consent of the Remarketing Dealer. The rights and obligations of the Remarketing Dealer hereunder may not be assigned or delegated to any other person without the prior written consent of the Company, except that the Remarketing Dealer may assign or delegate its rights and obligations hereunder in whole or in part to an affiliate, in each case, without the prior written consent of the Company. This Agreement shall inure to the benefit of and be binding upon the Company and the Remarketing Dealer and their respective successors and assigns, and will not confer any benefit upon any other person, partnership, association or corporation other than persons, if any, controlling the Remarketing Dealer within the meaning of Section 15 of the 1933 Act or

Section 20 of the 1934 Act, or any indemnified party to the extent provided in

Section 10 hereof, or any person entitled to contribution to the extent provided in Section 11 hereof. The terms "successors" and "assigns" shall not include any purchaser of any Remarketable Notes because of such purchase.

Section 17. Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

Section 18. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any or all jurisdictions because it conflicts with any provision of any constitution, statute, rule or public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case, circumstance or jurisdiction, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

Section 19. Counterparts. This Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Section 20. Amendments. This Agreement may be amended by any instrument in writing signed by each of the parties hereto so long as this Agreement as amended is not inconsistent with the Indenture in effect as of the date of any such amendment.

Section 21. Notices. Unless otherwise specified, any notices, requests, consents or other communications given or made hereunder or pursuant hereto shall be made in writing (which may include facsimile or other electronic transmission) and shall be deemed to have been validly given or made when delivered or mailed, registered or certified mail, return receipt requested and postage prepaid, addressed as follows:

(a) to the Company:

CenturyTel, Inc.

100 Century Park Drive Monroe, Louisiana 71203 Telephone: (318) 388-3900 Facsimile: (318) 388-9488 Attention: Legal Department and Treasury Department

(b) to Banc of America Securities LLC:

Banc of America Securities LLC 100 North Tryon Street Charlotte, North Carolina 28255 Telephone: (704) 386-9690 Facsimile: (704) 388-0502 Attention: Syndicate

or to such other address as the Company or the Remarketing Dealer shall specify in writing.

IN WITNESS WHEREOF, each of the Company and the Remarketing Dealer has caused this Remarketing Agreement to be executed in its name and on its behalf by one of its duly authorized officers as of the date first above written.

CENTURYTEL, INC.

By: /s/ R. Stewart Ewing, Jr.

Name: R. Stewart Ewing, Jr.

Title: Executive Vice President

BANC OF AMERICA SECURITIES LLC

By: /s/ Lily Chang

Name: Lily Chang

Title: Principal

EXHIBIT 11

CenturyTel, Inc.

COMPUTATIONS OF EARNINGS PER SHARE (UNAUDITED)

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
(Dollars, except per share amounts, and shares expressed in thousands)				
Income (Numerator):				
Net income	\$ 67,224	64,529	174,353	179,096
Dividends applicable to preferred stock	(100)	(100)	(299)	(304)
Net income applicable to common stock	67,124	64,429	174,054	178,792
Dividends applicable to preferred stock	100	100	299	304
Interest on convertible securities, net of taxes	33	63	99	189
Net income as adjusted for purposes of computing diluted earnings per share	\$ 67,257	64,592	174,452	179,285
Shares (Denominator):				
Weighted average number of shares:				
Outstanding during period	140,587	139,546	140,374	139,148
Employee Stock Ownership Plan shares not committed to be released	(367)	(461)	(385)	(480)
Number of shares for computing basic earnings per share	140,220	139,085	139,989	138,668
Incremental common shares attributable to additional dilutive effect of convertible securities	1,628	2,419	1,780	2,663
Number of shares as adjusted for purposes of computing diluted earnings per share	141,848	141,504	141,769	141,331
Basic earnings per share	\$.48	.46	1.24	1.29
Diluted earnings per share	\$.47	.46	1.23	1.27

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURYTEL, INC. AND SUBSIDIARIES AS OF SEPTEMBER 30, 2000 AND THE RELATED UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTH PERIOD THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	9 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	SEP 30 2000
CASH	71,645
SECURITIES	0
RECEIVABLES	267,847
ALLOWANCES	9,256
INVENTORY	30,040
CURRENT ASSETS	370,979
PP&E	5,766,936
DEPRECIATION	2,875,149
TOTAL ASSETS	6,310,882
CURRENT LIABILITIES	665,785
BONDS	3,129,988
PREFERRED MANDATORY	0
PREFERRED	7,975
COMMON	140,642
OTHER SE	1,834,835
TOTAL LIABILITY AND EQUITY	6,310,882
SALES	0
TOTAL REVENUES	1,318,746
CGS	0
TOTAL COSTS	935,373
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	120,213
INCOME PRETAX	297,631
INCOME TAX	123,278
INCOME CONTINUING	174,353
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	174,353
EPS BASIC	1.24
EPS DILUTED	1.23

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