

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) January 29, 2004

CenturyTel, Inc.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other
jurisdiction of
incorporation)

1-7784
(Commission File
Number)

72-0651161
(IRS Employer
Identification No.)

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

71203
(Zip Code)

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

ITEM 12. Results of Operations and Financial Condition

The following information, except for our forecasts for the upcoming quarter and for 2004 and except for our references to non-GAAP financial measures (as defined in Regulation G promulgated by the Securities and Exchange Commission), shall be deemed incorporated by reference into any registration statement heretofore or hereafter filed by us under the Securities Act of 1933, as amended, except to the extent that such incorporated information is superseded by information as of a subsequent date that is included in or incorporated by reference into any such registration statement. None of the following information shall be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

On January 29, 2004, we issued a press release announcing our fourth quarter 2003 consolidated operating results. More complete information on our operating results will be included in our Annual Report on Form 10-K for the year ended December 31, 2003, which we expect to file shortly with the Securities and Exchange Commission. The entire text of our January 29, 2004 press release is reproduced below:

FOR IMMEDIATE RELEASE
January 29, 2004

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CenturyTel Announces Fourth Quarter 2003 Earnings

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating results
for fourth quarter 2003.

o Revenues, excluding nonrecurring items, increased 3.2% to \$604.8 million from \$585.9 million, while GAAP revenues increased 3.5% to \$606.3 million from \$585.9 million.

o Operating cash flow (as defined in the attached financial schedules), excluding nonrecurring items, rose 0.8% to \$311.4 million.

o Net income, excluding nonrecurring items, grew 4.9% to \$89.3 million. Reported under GAAP, net income was \$82.4 million.

o Diluted earnings per share, excluding nonrecurring items, increased 3.4% to \$.61, while GAAP diluted earnings per share was \$.57 in fourth quarter 2003.

o Free cash flow (as defined in the attached financial schedules), excluding nonrecurring items, was \$86.8 million in fourth quarter 2003.

Fourth Quarter Highlights (1) (In thousands, except per share and customer amounts)	Quarter Ended 12/31/03	Quarter Ended 12/31/02	% Change
Revenues	\$ 604,815	\$ 585,879	3.2%
Operating Cash Flow	\$ 311,442	\$ 308,920	0.8%
Net Income	\$ 89,267	\$ 85,074	4.9%
Diluted Earnings Per Share	\$.61	\$.59	3.4%
Average Diluted Shares Outstanding	145,354	143,380	1.4%
Telephone Revenues	\$ 522,691	\$ 519,427	0.6%
Other Operations Revenues	\$ 82,124	\$ 66,452	23.6%
Telephone Access Lines	2,376,118	2,414,564	(1.6)%
Long Distance Customers	769,766	648,797	18.6%

(1) These results include adjustments for nonrecurring items and other non-GAAP financial measures. A reconciliation of these items to comparable GAAP measures is included in the attached financial schedules.

"During 2003, CenturyTel achieved revenue and earnings growth in a very challenging industry environment," Glen F. Post, III, chairman and chief executive officer, said. "Record cash flows generated in 2003 provided the financial liquidity for CenturyTel to reduce debt by more than \$467 million and strengthen our cash position by nearly \$200 million."

Consolidated revenues for the fourth quarter, excluding nonrecurring items, rose 3.2% to \$604.8 million from \$585.9 million. Operating cash flow, excluding nonrecurring items, grew to \$311.4 million from \$308.9 million. The Company achieved a consolidated cash flow margin, excluding nonrecurring items, of 51.5% for fourth quarter 2003. Net income for the quarter, excluding nonrecurring items, increased 4.9% to \$89.3 million from \$85.1 million in fourth quarter 2002. Diluted earnings per share, excluding nonrecurring items, increased 3.4% to \$.61 from \$.59.

Telephone revenues for the fourth quarter, excluding nonrecurring items, reached \$522.7 million compared to \$519.4 million in fourth quarter 2002. Growth in enhanced calling features and intrastate access revenues was partially offset by declines in intrastate toll usage and access lines. Telephone operating income, excluding nonrecurring items, was \$175.5 million while telephone operating cash flow, excluding nonrecurring items, was \$289.1 million. Excluding nonrecurring items, CenturyTel's fourth quarter 2003 telephone operating cash flow margin was 55.3% while the operating income margin was 33.6%.

Other operations revenues grew 23.6% to \$82.1 million during fourth quarter 2003, compared with \$66.5 million in fourth quarter 2002. CenturyTel's long distance revenues increased 5.5% to \$42.9 million. Internet revenues increased 31.6% to \$21.6 million in fourth quarter 2003 from \$16.4 million in fourth quarter 2002. CenturyTel now serves nearly 770,000 long distance customers and more than 83,000 DSL customers, adding more than 24,500 and 7,100 customers, respectively, during the quarter. Fiber transport revenues increased \$7.4 million, primarily due to the June 2003 acquisition of fiber assets from Digital Teleport, Inc.

For the year 2003, results from continuing operations benefited from the Alabama and Missouri wireline properties acquired from Verizon in third quarter 2002. Revenues from continuing operations, excluding nonrecurring items, increased to \$2.379 billion from \$1.980 billion for the same period in 2002, a 20.2% increase. Operating cash flow from continuing operations, excluding nonrecurring items, was \$1.222 billion for 2003 compared to \$1.012 billion a year ago, a 20.8% increase. Income from continuing operations, excluding nonrecurring items, increased 39.1% to \$345.8 million from \$248.5 million in 2002.

"Customer demand for long distance and Internet services continued to drive solid revenue growth of nearly \$49 million in 2003 as long distance customers grew nearly 19% and DSL customers grew more than 58%. We believe the development of our integrated bundle during 2004 will stimulate further demand for services," Post said.

Under generally accepted accounting principles (GAAP), the Company's fourth quarter 2003 net income was \$82.4 million compared to \$44.3 million in 2002, while diluted earnings per share was \$.57 for fourth quarter 2003 compared to \$.31 in fourth quarter 2002. Net income in fourth quarter 2003 reflects an \$8.8 million after-tax charge associated with various operating tax audits and an after-tax benefit of \$2.0 million related to professional fees previously accrued. Net income in fourth quarter 2002 included a \$39.0 million after-tax charge associated with the redemption of \$400 million Series I remarketable senior notes. See the accompanying financial information for additional nonrecurring items that affected the fourth quarters and full years of 2003 and 2002.

For the year 2003, prepared in accordance with GAAP, the Company reported net income of \$344.7 million, or \$2.38 per diluted share, compared to net income of \$801.6 million, or \$5.61 per diluted share for the year 2002. The 2002 results included a \$551.4 million after-tax

gain, or \$3.86 per diluted share, from the sale of the Company's wireless operations in third quarter 2002.

Guidance for 2004. CenturyTel anticipates a decline in 2004 telephone revenues primarily due to lower intrastate toll usage, lower cost study adjustments, lower universal service funding and access line declines. Giving effect to these revenue declines, the incremental amortization expense, conversion and operating costs related to the new billing and customer care system, and an expected increase in the Company's effective income tax rate to 38.5% primarily due to state income taxes, CenturyTel expects full year 2004 diluted earnings per share to be in the range of \$2.05 to \$2.20.

For first quarter 2004, CenturyTel expects total revenues of \$585 to \$600 million and diluted earnings per share of \$.49 to \$.53.

These outlook figures are presented on a GAAP basis, excluding nonrecurring items and the potential impact of any future mergers, acquisitions, divestitures or other similar business transactions.

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

In addition to historical information, this release includes certain forward-looking statements, estimates and projections that are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond the control of the Company. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the Company's ability to effectively manage its growth, including integrating newly-acquired businesses into the Company's operations, hiring adequate numbers of qualified staff, and successfully upgrading its billing and other information systems; possible changes in the demand for, or pricing of, the Company's products and services; the Company's ability to successfully introduce new product or service offerings on a timely and cost-effective basis; the Company's ability to collect its receivables from financially troubled communications companies; other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission; and the effects of more general factors such as changes in interest rates, in accounting policies or practices, in operating, medical or administrative costs, in general market, labor or economic conditions, or in legislation, regulation or public policy. These and other uncertainties related to the Company's business are described in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2002. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The information contained in this release is as of January 29, 2004. The Company undertakes no obligation to update any of its forward-looking statements.

CenturyTel's management will host a conference call at 11:00 A.M. Central time today. Interested parties can access the call by dialing 800.346.2923 and the call will be accessible for replay until 1:00 p.m. CST, February 5, 2004, by calling 800.332.6854 and entering the conference-id number: 3383. Investors can also listen to CenturyTel's earnings conference call and replay by accessing the Company's Web site at www.centurytel.com

CenturyTel, Inc. provides communications services including local, long distance, Internet access and data services to more than 3 million customers in 22 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL, and is included in the S&P 500 Index. CenturyTel is the 8th largest local exchange telephone company, based on access lines, in the United States. Visit CenturyTel at www.centurytel.com.

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002
(UNAUDITED)

	Three months ended December 31, 2003			Three months ended December 31, 2002				
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items	Increase (decrease) as reported	Increase (decrease) excluding non-recurring items
In thousands, except per share amounts								
TELEPHONE OPERATIONS								
Operating revenues								
Local service	\$ 188,464	-	188,464	186,248	-	186,248	1.2%	1.2%
Network access	289,224	1,500 (1)	287,724	285,978	-	285,978	1.1%	0.6%

Other	46,503	-	46,503	47,201	-	47,201	(1.5%)	(1.5%)
	524,191	1,500	522,691	519,427	-	519,427	0.9%	0.6%
Operating expenses								
Plant operations	127,199	-	127,199	127,957	-	127,957	(0.6%)	(0.6%)
Customer operations	43,526	-	43,526	45,018	-	45,018	(3.3%)	(3.3%)
Corporate and other	70,351	7,500 (1)	62,851	56,655	-	56,655	24.2%	10.9%
Depreciation and amortization	113,601	-	113,601	112,980	-	112,980	0.5%	0.5%
	354,677	7,500	347,177	342,610	-	342,610	3.5%	1.3%
Telephone operating income	169,514	(6,000)	175,514	176,817	-	176,817	(4.1%)	(0.7%)
OTHER OPERATIONS								
Operating revenues								
Long distance	42,916	-	42,916	40,665	-	40,665	5.5%	5.5%
Internet	21,588	-	21,588	16,402	-	16,402	31.6%	31.6%
Other	17,620	-	17,620	9,385	-	9,385	87.7%	87.7%
	82,124	-	82,124	66,452	-	66,452	23.6%	23.6%
Operating expenses								
Cost of sales and other	59,797	-	59,797	49,258	1,929 (4)	47,329	21.4%	26.3%
Depreciation and amortization	5,380	-	5,380	4,901	-	4,901	9.8%	9.8%
	65,177	-	65,177	54,159	1,929	52,230	20.3%	24.8%
Other operating income	16,947	-	16,947	12,293	(1,929)	14,222	37.9%	19.2%
TOTAL OPERATING INCOME	186,461	(6,000)	192,461	189,110	(1,929)	191,039	(1.4%)	0.7%
OTHER INCOME (EXPENSE)								
Interest expense	(60,842)	(7,500) (1)	(53,342)	(57,019)	-	(57,019)	6.7%	(6.4%)
Income from unconsolidated cellular entity	1,265	-	1,265	1,730	-	1,730	(26.9%)	(26.9%)
Other income and expense	3,188	3,000 (2)	188	(63,458)	(60,730) (5)	(2,728)	(105.0%)	(106.9%)
Income tax expense	(47,630)	3,675 (3)	(51,305)	(26,018)	21,930 (6)	(47,948)	83.1%	7.0%
NET INCOME	\$ 82,442	(6,825)	89,267	44,345	(40,729)	85,074	85.9%	4.9%
BASIC EARNINGS PER SHARE	\$ 0.57	(0.05)	0.62	0.31	(0.29)	0.60	83.9%	3.3%
DILUTED EARNINGS PER SHARE	\$ 0.57	(0.05)	0.61	0.31	(0.28)	0.59	83.9%	3.4%
SHARES OUTSTANDING								
Basic	144,204		144,204	142,465		142,465	1.2%	1.2%
Diluted	145,354		145,354	143,380		143,380	1.4%	1.4%
DIVIDENDS PER COMMON SHARE	\$ 0.0550		0.0550	0.0525		0.0525	4.8%	4.8%

NONRECURRING ITEMS

- (1) - Operating taxes, including related revenue effect, and interest associated with various operating tax audits.
- (2) - Reversal of costs previously accrued to defend unsolicited takeover proposal.
- (3) - Tax effect of items (1) and (2).
- (4) - Write-off costs associated with abandoned project.
- (5) - Redemption premium on remarketable notes, net of unamortized premium (\$59.9 million), and write-off of nonoperating investment (\$781,000).
- (6) - Tax effect of items (4) and (5).

CenturyTel, Inc. CONSOLIDATED STATEMENTS OF INCOME TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002 (UNAUDITED)

	Twelve months ended December 31, 2003			Twelve months ended December 31, 2002				
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items	Increase (decrease) as reported	Increase (decrease) excluding nonrecurring items
In thousands, except per share amounts								

TELEPHONE OPERATIONS								
Operating revenues								
Local service	\$ 754,063	-	754,063	604,580	-	604,580	24.7%	24.7%
Network access	1,135,223	1,500 (1)	1,133,723	972,303	(7,645) (4)	979,948	16.8%	15.7%
Other	182,694	-	182,694	156,709	-	156,709	16.6%	16.6%
	2,071,980	1,500	2,070,480	1,733,592	(7,645)	1,741,237	19.5%	18.9%
Operating expenses								
Plant operations	505,786	-	505,786	433,187	-	433,187	16.8%	16.8%
Customer operations	167,594	-	167,594	148,502	-	148,502	12.9%	12.9%
Corporate and other	259,635	2,541 (1)	257,094	211,924	15,000 (5)	196,924	22.5%	30.6%
Depreciation and amortization	450,851	-	450,851	396,866	-	396,866	13.6%	13.6%
	1,383,866	2,541	1,381,325	1,190,479	15,000	1,175,479	16.2%	17.5%
Telephone operating income	688,114	(1,041)	689,155	543,113	(22,645)	565,758	26.7%	21.8%
OTHER OPERATIONS								
Operating revenues								
Long distance	173,884	-	173,884	146,536	-	146,536	18.7%	18.7%
Internet	79,933	-	79,933	58,665	-	58,665	36.3%	36.3%
Other	54,948	-	54,948	33,203	-	33,203	65.5%	65.5%
	308,765	-	308,765	238,404	-	238,404	29.5%	29.5%
Operating expenses								
Cost of sales and other	226,693	-	226,693	180,076	1,929 (6)	178,147	25.9%	27.3%
Depreciation and amortization	19,790	-	19,790	14,760	-	14,760	34.1%	34.1%
	246,483	-	246,483	194,836	1,929	192,907	26.5%	27.8%
Other operating income	62,282	-	62,282	43,568	(1,929)	45,497	43.0%	36.9%
Corporate overhead costs allocable to discontinued operations	-	-	-	(11,275)	-	(11,275)	(100.0%)	(100.0%)
TOTAL OPERATING INCOME	750,396	(1,041)	751,437	575,406	(24,574)	599,980	30.4%	25.2%
OTHER INCOME (EXPENSE)								
Interest expense	(226,751)	(7,500) (1)	(219,251)	(221,845)	-	(221,845)	2.2%	(1.2%)
Income from unconsolidated cellular entity	6,160	-	6,160	5,582	-	5,582	10.4%	10.4%
Nonrecurring gains and losses	-	-	-	3,709	3,709 (7)	-	(100.0%)	-%
Other income and expense	2,154	3,000 (2)	(846)	(63,814)	(63,730) (8)	(84)	(103.4%)	907.1%
Income tax expense	(187,252)	4,466 (3)	(191,718)	(105,505)	29,608 (9)	(135,113)	77.5%	41.9%
INCOME FROM CONTINUING OPERATIONS	344,707	(1,075)	345,782	193,533	(54,987)	248,520	78.1%	39.1%
DISCONTINUED OPERATIONS, NET OF TAX	-	-	-	608,091	531,625 (10)	76,466	(100.0%)	(100.0%)
NET INCOME	\$ 344,707	(1,075)	345,782	801,624	476,638	324,986	(57.0%)	6.4%
BASIC EARNINGS PER SHARE								
From continuing operations	\$ 2.40	(0.01)	2.41	1.36	(0.39)	1.75	76.5%	37.7%
From discontinued operations	\$ -	-	-	4.29	3.75	0.54	(100.0%)	(100.0%)
Basic earnings per share	\$ 2.40	(0.01)	2.41	5.66	3.37	2.29	(57.6%)	5.2%
DILUTED EARNINGS PER SHARE								
From continuing operations	\$ 2.38	(0.01)	2.39	1.35	(0.38)	1.74	76.3%	37.4%
From discontinued operations	\$ -	-	-	4.26	3.72	0.54	(100.0%)	(100.0%)
Diluted earnings per share	\$ 2.38	(0.01)	2.39	5.61	3.34	2.27	(57.6%)	5.3%
SHARES OUTSTANDING								
Basic	143,583		143,583	141,613		141,613	1.4%	1.4%
Diluted	144,700		144,700	142,879		142,879	1.3%	1.3%
DIVIDENDS PER COMMON SHARE								
	\$ 0.2200		0.2200	0.2100		0.2100	4.8%	4.8%

NONRECURRING ITEMS

(1) - Includes (i) operating taxes (\$7.5 million), net of related revenue effect (\$1.5 million), and interest cost (\$7.5 million) associated with

various operating tax audits and (ii) partial recovery of amounts previously written off in connection with WorldCom bankruptcy (\$4.9 million; see Note 5).

(2) - Reversal of costs previously accrued to defend unsolicited takeover proposal.

(3) - Net out of period income tax adjustments (\$2.5 million credit), net of tax effect of items (1) and (2).

(4) - Reserve for refunds of access charges to interexchange carriers.

(5) - Reserve for uncollectible receivables, primarily WorldCom.

(6) - Write off costs associated with abandoned project.

(7) - Gain on sale of PCS license.

(8) - Redemption premium on remarketable notes, net of unamortized premium (\$59.9 million); costs to defend unsolicited takeover proposal (\$3.0 million); and write-off of nonoperating investment (\$781,000).

(9) - Tax effect of items (4) through (8).

(10)- Gain on sale of wireless operations (\$551.4 million after-tax), net of write down of wireless portion of billing system (\$19.8 million after-tax).

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2003 AND DECEMBER 31, 2002
(UNAUDITED)

	Dec. 31, 2003	Dec. 31, 2002

	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 203,181	3,661
Other current assets	259,758	292,241

Total current assets	462,939	295,902

PROPERTY, PLANT AND EQUIPMENT		
Telephone	6,596,600	6,347,900
Other	587,555	521,292
Accumulated depreciation	(3,728,674)	(3,337,547)

Net property, plant and equipment	3,455,481	3,531,645

INVESTMENTS AND OTHER ASSETS		
Goodwill	3,425,001	3,427,281
Other	552,431	515,580

Total investments and other assets	3,977,432	3,942,861

TOTAL ASSETS	\$ 7,895,852	7,770,408
	=====	
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 72,453	70,737
Other current liabilities	398,930	317,367

Total current liabilities	471,383	388,104

LONG-TERM DEBT	3,109,302	3,578,132
DEFERRED CREDITS AND OTHER LIABILITIES	836,651	716,168
STOCKHOLDERS' EQUITY	3,478,516	3,088,004

TOTAL LIABILITIES AND EQUITY	\$ 7,895,852	7,770,408
	=====	

CAPITAL EXPENDITURES
TWELVE MONTHS ENDED DECEMBER 31, 2003 AND 2002

	Twelve months ended December 31, 2003	2002	Increase (decrease)
	-----		-----
	(in thousands)		
CAPITAL EXPENDITURES			
Telephone	\$ 317,357	319,536	(0.7%)
Wireless (discontinued operations)	-	27,242	(100.0%)

Other	60,582	66,731	(9.2%)
Total capital expenditures	\$ 377,939	413,509	(8.6%)

CAPITAL EXPENDITURES
THREE MONTHS ENDED DECEMBER 31, 2003 AND 2002

	Three months ended December 31, 2003	2002	Increase (decrease)
	(in thousands)		
CAPITAL EXPENDITURES			
Telephone	\$ 100,909	98,209	2.7%
Other	20,571	17,284	19.0%
Total capital expenditures	\$ 121,480	115,493	5.2%

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

	Three months ended December 31, 2003			Three months ended December 31, 2002		
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items
Consolidated operating cash flow and cash flow margin						
Operating income	\$ 186,461	(6,000) (1)	192,461	189,110	(1,929) (3)	191,039
Add: Depreciation and amortization	118,981		118,981	117,881	-	117,881
Consolidated operating cash flow	\$ 305,442	(6,000)	311,442	306,991	(1,929)	308,920
Revenues	\$ 606,315	1,500 (1)	604,815	585,879	-	585,879
Consolidated cash flow margin (operating cash flow divided by revenues)	50.4%		51.5%	52.4%		52.7%
Telephone operating cash flow, operating income margin and cash flow margin						
Telephone operating income	\$ 169,514	(6,000) (1)	175,514	176,817	-	176,817
Add: Depreciation and amortization	113,601	-	113,601	112,980	-	112,980
Telephone operating cash flow	\$ 283,115	(6,000)	289,115	289,797	-	289,797
Telephone revenues	\$ 524,191	1,500 (1)	522,691	519,427	-	519,427
Telephone operating income margin (operating income divided by revenues)	32.3%		33.6%	34.0%		34.0%
Telephone cash flow margin (operating cash flow divided by revenues)	54.0%		55.3%	55.8%		55.8%
Other Operations operating cash flow, operating income margin and cash flow margin						
Other Operations operating income	\$ 16,947	-	16,947	12,293	(1,929) (3)	14,222
Add: Depreciation and amortization	5,380	-	5,380	4,901	-	4,901
Other Operations operating cash flow	\$ 22,327	-	22,327	17,194	(1,929)	19,123
Other Operations revenues	\$ 82,124	-	82,124	66,452	-	66,452
Other Operations operating income margin (operating income divided by revenues)	20.6%		20.6%	18.5%		21.4%
Other Operations cash flow margin (operating cash flow divided						

by revenues)	27.2%	27.2%	25.9%	28.8%		
	=====	=====	=====	=====		
Free cash flow (prior to debt service requirements and dividends)						
Net income	\$ 82,442	(6,825)(2)	89,267	44,345	(40,729)(4)	85,074
Add: Depreciation and amortization	118,981	-	118,981	117,881	-	117,881
Less: Capital expenditures	(121,480)	-	(121,480)	(115,493)	-	(115,493)
	-----			-----		
Free cash flow	\$ 79,943	(6,825)	86,768	46,733	(40,729)	87,462
	=====	=====	=====	=====	=====	=====
Free cash flow	\$ 79,943			46,733		
Income from unconsolidated cellular entity	(1,265)			(1,730)		
Deferred income taxes	60,684			27,769		
Changes in current assets and current liabilities	32,553			(35,340)		
Increase in other noncurrent assets	(5,248)			(6,981)		
Increase (decrease) in other noncurrent liabilities	(1,361)			12,956		
Retirement benefits	(40,336)			(18,046)		
Other, net	(6,908)			17,541		
Add: capital expenditures	121,480			115,493		
	-----			-----		
Net cash provided by operating activities	\$ 239,542			158,395		
	-----			-----		

(1) Operating taxes (\$7.5 million), including revenue effect (\$1.5 million), associated with various operating tax audits.

(2) Includes (i) interest cost (\$4.9 million after-tax) related to operating tax audits; (ii) benefit from reversal of costs previously accrued to defend unsolicited takeover proposal (\$2.0 million after-tax); and (iii) after tax effect of item (1)

(3) Write off costs associated with abandoned project.

(4) Redemption premium on remarketable notes, net of unamortized premium (\$39.0 million after tax); write off costs associated with abandoned project (\$1.3 million after tax); and write off of nonoperating investment (\$508,000 after tax).

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

	Twelve months ended December 31, 2003			Twelve months ended December 31, 2002		
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items
	-----	-----	-----	-----	-----	-----
Consolidated operating cash flow from continuing operations and cash flow margin						
Operating income	\$ 750,396	(1,041)(1)	751,437	575,406	(24,574)(3)	599,980
Add: Depreciation and amortization	470,641		470,641	411,626	-	411,626
	-----	-----	-----	-----	-----	-----
Consolidated operating cash flow from continuing operations	\$ 1,221,037	(1,041)	1,222,078	987,032	(24,574)	1,011,606
	=====	=====	=====	=====	=====	=====
Revenues from continuing operations	\$ 2,380,745	1,500	2,379,245	1,971,996	(7,645)(4)	1,979,641
	=====	=====	=====	=====	=====	=====
Consolidated cash flow margin (operating cash flow divided by revenues)	51.3%		51.4%	50.1%		51.1%
	=====		=====	=====		=====
Telephone operating cash flow, operating income margin and cash flow margin						
Telephone operating income	\$ 688,114	(1,041)(1)	689,155	543,113	(22,645)(3)	565,758
Add: Depreciation and amortization	450,851	-	450,851	396,866	-	396,866
	-----	-----	-----	-----	-----	-----
Telephone operating cash flow	\$ 1,138,965	(1,041)	1,140,006	939,979	(22,645)	962,624
	=====	=====	=====	=====	=====	=====
Telephone revenues	\$ 2,071,980	1,500	2,070,480	1,733,592	(7,645)(4)	1,741,237
	=====	=====	=====	=====	=====	=====
Telephone operating income margin (operating income divided by revenues)	33.2%		33.3%	31.3%		32.5%
	=====		=====	=====		=====
Telephone cash flow margin (operating cash flow divided by revenues)	55.0%		55.1%	54.2%		55.3%
	=====		=====	=====		=====

Other Operations operating cash flow, operating income margin and cash flow margin						
Other Operations operating income	\$ 62,282	-	62,282	43,568	(1,929)	45,497
Add: Depreciation and amortization	19,790	-	19,790	14,760	-	14,760
Other Operations operating cash flow	\$ 82,072	-	82,072	58,328	(1,929)	60,257
Other Operations revenues	\$ 308,765	-	308,765	238,404	-	238,404
Other Operations operating income margin (operating income divided by revenues)	20.2%		20.2%	18.3%		19.1%
Other Operations cash flow margin (operating cash flow divided by revenues)	26.6%		26.6%	24.5%		25.3%
Free cash flow (prior to debt service requirements and dividends)						
Net income	\$ 344,707	(1,075)	345,782	801,624	476,638 (6)	324,986
Add: Depreciation and amortization (7)	470,641	-	470,641	424,520	-	424,520
Less: Capital expenditures (7)	(377,939)	-	(377,939)	(413,509)	-	(413,509)
Free cash flow	\$ 437,409	(1,075)	438,484	812,635	476,638	335,997
Free cash flow	\$ 437,409			812,635		
Income from discontinued operations, net of tax	-			(608,091)		
Less: depreciation and amortization of discontinued operations	-			(12,894)		
Nonrecurring gains and losses	-			(3,709)		
Income from unconsolidated cellular entity	(6,160)			(5,582)		
Deferred income taxes	128,706			71,112		
Changes in current assets and current liabilities	160,984			69,650		
Increase in other noncurrent assets	(23,528)			(30,543)		
Increase (decrease) in other noncurrent liabilities	(6,151)			35,489		
Retirement benefits	(14,739)			(9,416)		
Other, net	13,504			61,274		
Add: capital expenditures	377,939			413,509		
Net cash provided by operating activities from continuing operations	\$ 1,067,964			793,434		

(1) Operating taxes (\$7.5 million), net of related revenue effect (\$1.5 million), associated with various operating tax audits, net of partial recovery of amounts previously written off in connection with WorldCom bankruptcy (\$4.9 million; see Note 3).

(2) Includes (i) interest cost (\$4.9 million after-tax) related to operating tax audits; (ii) benefit from reversal of costs previously accrued to defend unsolicited takeover proposal (\$2.0 million after-tax); (iii) net out of period income tax adjustments (\$2.5 million credit); and (iv) after-tax effect of item (1).

(3) Reserve for refunds of access charges to interexchange carriers (\$7.6 million) and reserve for uncollectible receivables, primarily WorldCom (\$15.0 million).

(4) Reserve for refunds of access charges to interexchange carriers.

(5) Write off costs associated with abandoned project.

(6) Includes gain on sale of wireless operations (\$551.4 million after tax) and gain on sale of a PCS license (\$2.4 million after tax). Such favorable items were partially offset by unfavorable charges for reserve for refunds of access charges to interexchange carriers (\$5.0 million after tax), reserve for uncollectible receivables, primarily WorldCom (\$9.8 million after tax), costs to defend unsolicited takeover proposal (\$2.0 million after tax) and write down of wireless portion of billing system (\$19.8 million after tax).

(7) Includes discontinued operations for 2002.

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.

January 29, 2004

By: /s/ Neil A. Sweasy

Neil A. Sweasy

Vice President and Controller