

CENTURYTEL INC

FORM 425

(Filing of certain prospectuses and communications in connection with business combination transactions)

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Industry	Communications Services
Sector	Services
Fiscal Year	12/31

Note: The following presentation was posted on ALLTEL's Web site at www.alltel.com.

ALLTEL CenturyTel

A Rural Communications Powerhouse

August 15, 2001

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- ALLTEL offers to acquire 100% of CenturyTel's outstanding stock in a transaction valued at over \$9 billion, including assumed debt.
- Consideration to consist of either:
 - \$43.00 per share in cash
 - or
 - 0.6934 ALLTEL shares
 - Subject to pro ration of 50% cash and 50% ALLTEL shares
- ALLTEL shares received by CenturyTel shareholders would be tax-free

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Compelling Value Proposition for CenturyTel Shareholders

- Offer value represents a 40% premium over CenturyTel's August 14th stock price
- CenturyTel shareholders issued only ALLTEL stock will receive an annual dividend more than 4 times that paid by CenturyTel
- ALLTEL stock provides future participation in a combined company with:
 - Superior scale and scope
 - Significant margin improvement and synergy opportunities

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Substantial Strategic Benefits for CenturyTel and ALLTEL

- Largest independent rural provider of communications services in the U.S. with 12 million customers as of June 30, 2001
- Highly complementary wireless and wireline footprints allowing improved scale and scope
- Significant synergy opportunities
- Attractive financial impact:
 - Minimal cash EPS dilution in year one
 - Cash EPS accretive by year two
 - Maintain strong investment grade credit rating

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Highly Complimentary Wireless Markets

(A map of the United States indicating the combined wireless presence of ALLTEL and CenturyTel with the following customer count and POP coverage:)

As of June 30, 2001:

- 7.2 million wireless customers
- 58 million POPs

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Substantially Enhanced Rural Wireline Scale and Scope

(A map of the United States depicting the approximate number of Wireline customers of ALLTEL and CenturyTel by state as of June 30, 2001:)

	(Thousands)	
	<u>ALLTEL</u>	<u>CenturyTel</u>
Alabama	29	--
Arizona	--	2
Arkansas	113	278
Colorado	--	96

Florida	98	--
Georgia	652	--
Idaho	--	6
Indiana	--	5
Iowa	--	2
Kentucky	28	--
Louisiana	--	103
Michigan	--	114
Minnesota	--	31
Mississippi	13	23
Missouri	73	130
Montana	--	66
Nebraska	315	--
Nevada	--	1
New Mexico	--	6
New York	107	--
North Carolina	242	--
Ohio	353	85
Oklahoma	36	--
Oregon	--	80
Pennsylvania	253	--
South Carolina	63	--
Tennessee	--	28
Texas	117	51
Washington	--	189
Wisconsin	--	498
Wyoming	--	5

As of 6/30/01:

- 4.4 million wireline customers in 31 states
- Focused on second and third tier markets
- 1.6 million long-distance customers

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A Rural Communications Powerhouse... (a)

#1 Rural Wireless and Wireline Provider

	<u>ALLTEL (b)</u>	<u>CenturyTel</u>	<u>Combined</u>
Wireless Customers (mm)	6.8	0.8	7.6
Wireline Customers (mm)	<u>2.6</u>	<u>1.8</u>	<u>4.4</u>
Total	<u>9.4</u>	<u>2.6</u>	<u>12.0</u>
Equity Value	\$20.1	\$6.1	\$23.1
		(Deal Price)	
Enterprise Value	\$24.1	\$9.4	\$33.5

(a) \$ in Billions. 2001 Wall Street estimates.

(b) Stock price as of August 14, 2001

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...with Strong Financial Capabilities (a)

#1 Rural Wireless and Wireline Provider

Revenues:	<u>ALLTEL</u>	<u>CenturyTel</u>	<u>Combined</u>
Wireless	\$3.9	\$0.4	\$4.3
Wireline	1.8	1.5	3.3
Emerging	<u>0.5</u>	<u>0.2</u>	<u>0.6</u>
Total Communications	<u>6.1</u>	<u>2.1</u>	<u>8.2</u>
Other	<u>1.6</u>	<u>--</u>	<u>1.6</u>
Total	<u>\$7.7</u>	<u>\$2.1</u>	<u>\$9.8</u>
EBITDA	<u>\$2.9</u>	<u>\$1.0</u>	<u>\$3.9</u>

(a) \$ in Billions. 2001 Wall Street estimates, figures may not foot due to rounding.

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A Rural Wireless Powerhouse...

Over twice the size of next largest rural wireless competitor

(A bar chart depicting the following information with subscribers in millions and wireless revenues in billions)

	<u>2001E Customers</u> (a)	<u>2001E Revenues</u> (a)
ALLTEL/CenturyTel	7.6	\$4.3
US Cellular	3.5	\$1.9
Western Wireless (b)	1.2	\$0.9
Dobson Comm. (c)	1.1	\$0.9
Rural Cellular	0.7	\$0.5

(a) Based on Wall Street estimates.

(b) Domestic operations only.

(c) Includes proportionate interest in American Cellular.

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...and a Rural Wireline Powerhouse

Substantially larger than next largest rural wireline competitor

(A bar chart depicting the following information with access lines in millions and wireline revenues in billions)

	<u>2001E Customers</u> (a)	<u>2001E Revenues</u> (a)
ALLTEL/CenturyTel	4.4	\$3.3
Citizens Comm.	2.5	\$2.0
TDS	0.6	\$0.7

(a) Based on Wall Street estimates.

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Merger Benefits

Wireline

- Increase penetration of long-distance and other services
- Enhance scale and reduce costs

Wireless

- Increase revenues through launch of national and regional rate plans
- Reduce roaming costs through Verizon roaming agreement
- Enhance scale and reduce costs

Significant Wireline Margin Opportunity

(A bar chart depicting EBITDA margins for ALLTEL and CenturyTel by quarter)

	<u>ALLTEL</u>	<u>CenturyTel</u>
1Q00	58%	55%
2Q00	58%	55%
3Q00	59%	56%
4Q00	59%	57%
1Q01	60%	54%
2Q01	60%	54%

<u>CenturyTel Margin Improvement</u>	<u>Incremental Annual EBITDA (\$MM)</u>
2%	\$30
4%	\$60
6%	\$90

Management Team with a Proven Record

Since 1998, ALLTEL has completed and successfully integrated six acquisitions with total value of over \$12 billion including:

- \$3 billion wireless property swap with Verizon
- \$2 billion acquisition of Aliant Communications
- \$6 billion acquisition of 360 Communications

ALLTEL has met or exceeded all operational and synergy goals in previous transactions

ALLTEL has a record of superior financial performance:

- Consistently among the highest profit margins in the communications industry
- 18% return on equity over the past four years
- Approximately 30% cash free flow growth over past four years

Superior Equity Performance

(A line graph showing the 3-year total return comparison (change in stock price plus dividend) of ALLTEL's stock and CenturyTel's stock for the period of August 14, 1998 to August 14, 2001 indicating a total return on ALLTEL stock of 62% compared to a negative 3.7% return on CenturyTel stock.)

A Compelling Transaction

- Creates a Rural Communications Powerhouse
- Compelling Value Proposition for CenturyTel and ALLTEL Shareholders
- Significant Merger Benefits
- Management Team with a Proven Record

End of Filing

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