

# CENTURYTEL INC

## FORM 8-K

(Unscheduled Material Events)

Filed 11/13/2000 For Period Ending 9/30/2000

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

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

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) October 26, 2000**

**CenturyTel, Inc.**

(Exact name of registrant as specified in its charter)

Louisiana  
(State or other  
jurisdiction of  
incorporation)

1-7784  
(Commission File  
Number)

72-0651161  
(IRS Employer  
Identification No.)

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

71203  
(Zip Code)

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

**Item 5. Other Events**

The following press release was issued by CenturyTel, Inc. on October 26, 2000:

FOR IMMEDIATE RELEASE:  
October 26, 2000

FOR MORE INFORMATION CONTACT:  
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**CenturyTel Achieves 16 Percent Third Quarter Revenue Growth Fueled by  
Acquisitions and Strong Core Business Unit Performance**

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

- o Revenues from recurring operations climbed 16.4% to \$482.1 million.
- o Earnings from recurring operations before interest, taxes, depreciation, amortization and gain on sales of assets, advanced 16.7% to \$260.0 million.
- o Net income from recurring operations increased 3.9% to \$66.6 million.
- o Diluted earnings per share from recurring operations rose 4.4% to \$.47.
- o Cash earnings per share from recurring operations increased 7.5% to \$.57.

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Third Quarter Highlights\*  
(Dollars, except per share  
amounts, in thousands)

Quarter Ended  
9/30/00

Quarter Ended  
9/30/99

% Change

Revenues (1)	\$ 482,067	\$ 413,979	16.4%
EBITDA (2)	\$ 260,020	\$ 222,807	16.7%
Net Income (3)	\$ 66,646	\$ 64,175	3.9%
Diluted Earnings Per Share (3)	\$ .47	\$ .45	4.4%
Average Diluted Shares Outstanding	141,848	141,504	0.2%
<hr/>			
Telephone Revenues (1)	\$ 324,608	\$ 273,644	18.6%
Wireless Revenues	\$ 120,232	\$ 109,778	9.5%
Other Operations Revenues	\$ 37,227	\$ 30,557	21.8%
<hr/>			
Telephone Access Lines	1,800,728	1,263,036	42.6%
Wireless Units in Majority-Owned Markets	741,183	640,311	15.8%
<hr/>			

\*Excluding the effects of asset divestitures and nonrecurring gains and losses

(1) Includes \$41.0 million revenue contribution from acquisitions in third quarter 2000

(2) Earnings from recurring operations before interest, taxes, depreciation, amortization and gain on sales of assets

(3) Excludes one-time net gains of \$1.3 million, or \$.01 per share, in third quarter 2000 and \$741,000, or \$.005 per share, in third quarter 1999

"CenturyTel achieved strong operating results for the quarter driven by excellent revenue and cash flow growth," Glen F. Post, III, President and Chief Executive Officer, said. "The Verizon acquisitions were completed this quarter, and the integration is on track. Our revenue growth was driven by acquisitions, increased digital wireless customers, and higher data services revenue."

Net income from recurring operations for the quarter rose 3.9% to \$66.6 million from \$64.2 million in third quarter 1999. Diluted earnings per share from recurring operations increased 4.4% to \$.47 from \$.45. Cash earnings per share from recurring operations increased 7.5% to \$.57 from \$.53. Consolidated revenues from recurring operations rose 16.4% to \$482.1 million from \$414.0 million. EBITDA from recurring operations grew to \$260.0 million from \$222.8 million, a 16.7% increase. CenturyTel achieved a consolidated EBITDA margin of 53.9% during the quarter.

"The acquisition of nearly 500,000 telephone access lines from Verizon this quarter represents a 40% increase in our telephone operations. We look forward to realizing a full revenue contribution from these acquisitions in the fourth quarter," Post said.

Telephone revenues grew 18.6% to \$324.6 million during the quarter, compared with \$273.6 million in third quarter 1999. The Verizon acquisitions contributed \$41.0 million to quarterly revenues. Telephone operating income increased 22.2%, reaching \$99.8 million from \$81.6 million, and EBITDA rose 23.4% to \$182.1 million from \$147.6 million a year ago. CenturyTel's third quarter telephone EBITDA margin was 56.1% while the operating income margin was 30.7%.

"CenturyTel's rollout of high-speed Internet access continues to gain momentum. At the end of the third quarter, high-speed Internet access via DSL was available to 26% of CenturyTel's telephone access lines, excluding newly acquired markets," Post said.

Wireless revenues from recurring operations grew 9.5% to \$120.2 million in third quarter 2000, compared with \$109.8 million in third quarter 1999. Wireless operating income from recurring operations was \$39.3 million compared to \$40.0 million in 1999, and EBITDA from recurring operations was \$55.4 million compared to \$56.9 million a year ago. CenturyTel's third quarter wireless EBITDA margin was 46.1% (47.4% based on service revenues), and operating income margin was 32.7% (33.6% based on service revenues). Average monthly cellular service revenue per user (ARPU) was \$52 during third quarter 2000, an 8.8% decrease from \$57 a year ago. CenturyTel added 21,900 contract customers while 30,100 non-revenue-generating prepaid customers were disconnected during the quarter. The average monthly contract customer churn rate was 1.9%.

"The addition of 21,900 contract customers this quarter compares with 1,100 contract additions in third quarter 1999. The vast majority of these new customers are on digital rate plans that typically produce an above average ARPU. We continue to focus on adding contract customers while decreasing our focus on prepaid plans for customer growth," Post said.

Other operations revenues from recurring operations grew 21.8% to \$37.2 million during third quarter 2000, compared with \$30.6 million in third quarter 1999. CenturyTel's long distance business generated \$4.5 million of the increase in other operations revenues. CenturyTel now serves more than 347,000 long distance customers, adding nearly 21,000 during the quarter.

During the first nine months of 2000, net income from recurring operations was \$174.0 million, a 3.3% decrease from \$179.9 million in 1999. Diluted earnings per share from recurring operations declined 3.1% to \$1.23 from \$1.27, and cash earnings per share declined 1.3% to \$1.49 from \$1.51. Consolidated revenues from recurring operations rose 11.0% to \$1.3 billion from \$1.2 billion. EBITDA grew to \$683.9 million from \$646.5 million, a 5.8% increase. Free cash flow generation was \$130.3 million during the first nine months of 2000.

During the third quarter 2000, CenturyTel borrowed \$1.46 billion under its credit facilities to finance the Verizon acquisitions. A substantial portion of this debt was refinanced longer term with the issuance of \$900 million of senior notes in mid-October 2000.

In addition to historical information, this release includes certain forward-looking statements that are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Such uncertainties include but are not limited to: the Company's ability to effectively manage its growth; including integrating newly acquired businesses into our operations; hiring adequate numbers of qualified staff and successfully upgrading our billing and other information systems; the inherent risk of rapid technological change; the effects of regulatory decisions affecting the Company or the telecommunications industry generally; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; and the effects of more general factors such as changes in overall market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the Company's business are described in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 1999.

Investors can access CenturyTel's earnings conference call and replay by accessing the company's website at ([www.centurytel.com](http://www.centurytel.com)) A separate dial-up replay number is available until the close of business on Monday, October 30. The replay number is 1-800-625-5288 and the access code is 827283.

CenturyTel, Inc. provides communications services including local exchange, wireless, long distance, Internet access and security monitoring services to nearly three million customers in 21 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the 8th largest local exchange telephone company, based on access lines, and the 8th largest cellular company, based on population equivalents owned, in the United States.

Visit CenturyTel's corporate website at ([www.centurytel.com](http://www.centurytel.com))

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999**  
**(UNAUDITED)**

In thousands, except per share amounts	2000	1999	INCREASE (DECREASE)
<b>TELEPHONE OPERATIONS</b>			
Operating revenues			
Local service	\$ 106,304	86,010	23.6%
Network access	187,254	159,682	17.3%
Other	31,050	27,952	11.1%
	324,608	273,644	18.6%
Operating expenses			
Plant operations	76,086	64,076	18.7%
Customer operations	28,623	21,398	33.8%
Corporate and other	37,766	40,548	(6.9%)
Depreciation and amortization	82,380	66,014	24.8%
	224,855	192,036	17.1%
Telephone operating income	99,753	81,608	22.2%
<b>WIRELESS OPERATIONS</b>			
Operating revenues			
Service revenues	116,862	109,318	6.9%
Equipment sales	3,370	2,334	44.4%
	120,232	111,652	7.7%
Operating expenses			
Cost of equipment sold	7,192	4,200	71.2%
System operations	19,749	13,864	42.4%
General, administrative and customer service	18,796	22,128	(15.1%)
Sales and marketing	19,081	13,588	40.4%
Depreciation and amortization	16,134	17,167	(6.0%)
	80,952	70,947	14.1%
Wireless operating income	39,280	40,705	(3.5%)
<b>OTHER OPERATIONS</b>			
Operating revenues	37,794	33,909	11.5%

-----			
Operating expenses			
Cost of sales and other	28,542	25,044	14.0%
Depreciation and amortization	1,226	1,119	9.6%
-----			
	29,768	26,163	13.8%
-----			
Other operating income	8,026	7,746	3.6%
-----			
TOTAL OPERATING INCOME	147,059	130,059	13.1%
-----			
OTHER INCOME (EXPENSE)			
Gain on sales of assets	10,683	1,201	789.5%
Interest expense	(48,904)	(34,997)	39.7%
Income from unconsolidated cellular entities	11,366	10,801	5.2%
Minority interest	(2,889)	(3,460)	(16.5%)
Other income and expense	(4,065)	1,108	(466.9%)
Income tax expense	(46,026)	(40,183)	14.5%
-----			
NET INCOME	\$ 67,224	64,529	4.2%
=====			
EARNINGS PER SHARE			
Basic (1)	\$ 0.48	0.46	4.3%
Diluted (2)	\$ 0.47	0.46	2.2%
-----			
SHARES OUTSTANDING			
Basic	140,220	139,085	0.8%
Diluted	141,848	141,504	0.2%
-----			
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%
-----			
(1)	Excluding the effect of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$.47 and \$.46 for 2000 and 1999, respectively		
(2)	Excluding the effect of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$.47 and \$.45 for 2000 and 1999, respectively		

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999**  
**(UNAUDITED)**

Excludes the effect of asset divestitures and nonrecurring gains and losses			
			INCREASE
In thousands, except per share amounts	2000	1999	(DECREASE)
-----			
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 106,304	86,010	23.6%
Network access	187,254	159,682	17.3%
Other	31,050	27,952	11.1%
-----			
	324,608	273,644	18.6%
-----			
Operating expenses			
Plant operations	76,086	64,076	18.7%
Customer operations	28,623	21,398	33.8%
Corporate and other	37,766	40,548	(6.9%)
Depreciation and amortization	82,380	66,014	24.8%
-----			
	224,855	192,036	17.1%
-----			
Telephone operating income	99,753	81,608	22.2%
-----			
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	116,862	107,584	8.6%
Equipment sales	3,370	2,194	53.6%
-----			
	120,232	109,778	9.5%
-----			
Operating expenses			

Cost of equipment sold	7,192	4,055	77.4%
System operations	19,749	13,444	46.9%
General, administrative and customer service	18,796	21,811	(13.8%)
Sales and marketing	19,081	13,560	40.7%
Depreciation and amortization	16,134	16,909	(4.6%)
	80,952	69,779	16.0%
Wireless operating income	39,280	39,999	(1.8%)
-----			
OTHER OPERATIONS			
Operating revenues	37,227	30,557	21.8%
-----			
Operating expenses			
Cost of sales and other	27,108	20,836	30.1%
Depreciation and amortization	1,140	868	31.3%
	28,248	21,704	30.2%
-----			
Other operating income	8,979	8,853	1.4%
-----			
TOTAL OPERATING INCOME	148,012	130,460	13.5%
-----			
OTHER INCOME (EXPENSE)			
Interest expense	(48,806)	(34,974)	39.5%
Income from unconsolidated cellular entities	11,366	10,801	5.2%
Minority interest	(2,889)	(3,460)	(16.5%)
Other income and expense	3,877	1,215	219.1%
Income tax expense	(44,914)	(39,867)	12.7%
-----			
NET INCOME	\$ 66,646	64,175	3.9%
=====			
EARNINGS PER SHARE			
Basic	\$ 0.47	0.46	2.2%
Diluted	\$ 0.47	0.45	4.4%
-----			
SHARES OUTSTANDING			
Basic	140,220	139,085	0.8%
Diluted	141,848	141,504	0.2%
-----			
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999**  
**(UNAUDITED)**

In thousands, except per share amounts	2000	1999	INCREASE (DECREASE)
-----			
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 284,896	266,119	7.1%
Network access	510,440	482,626	5.8%
Other	82,286	88,069	(6.6%)
	877,622	836,814	4.9%
-----			
Operating expenses			
Plant operations	198,625	188,226	5.5%
Customer operations	76,893	66,039	16.4%
Corporate and other	117,634	116,305	1.1%
Depreciation and amortization	217,371	205,969	5.5%
	610,523	576,539	5.9%
-----			
Telephone operating income	267,099	260,275	2.6%
-----			
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	320,836	312,873	2.5%
Equipment sales	10,942	7,372	48.4%

	331,778	320,245	3.6%
Operating expenses			
Cost of equipment sold	21,728	13,848	56.9%
System operations	51,782	42,394	22.1%
General, administrative and customer service	56,423	60,113	(6.1%)
Sales and marketing	60,637	41,130	47.4%
Depreciation and amortization	49,225	50,963	(3.4%)
	239,795	208,448	15.0%
Wireless operating income	91,983	111,797	(17.7%)
OTHER OPERATIONS			
Operating revenues	109,346	93,152	17.4%
Operating expenses			
Cost of sales and other	81,331	70,556	15.3%
Depreciation and amortization	3,724	3,361	10.8%
	85,055	73,917	15.1%
Other operating income	24,291	19,235	26.3%
TOTAL OPERATING INCOME	383,373	391,307	(2.0%)
OTHER INCOME (EXPENSE)			
Gain on sales of assets	20,593	51,160	(59.7%)
Interest expense	(120,213)	(114,725)	4.8%
Income from unconsolidated cellular entities	19,382	26,913	(28.0%)
Minority interest	(8,052)	(25,560)	(68.5%)
Other income and expense	2,548	6,722	(62.1%)
Income tax expense	(123,278)	(156,721)	(21.3%)
NET INCOME	\$ 174,353	179,096	(2.6%)
EARNINGS PER SHARE			
Basic (1)	\$ 1.24	1.29	(3.9%)
Diluted (2)	\$ 1.23	1.27	(3.1%)
SHARES OUTSTANDING			
Basic	139,989	138,668	1.0%
Diluted	141,769	141,331	0.3%
DIVIDENDS PER COMMON SHARE	\$ 0.1425	0.1350	5.6%
(1) Excluding the effects of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$1.24 and \$1.30 for 2000 and 1999, respectively			
(2) Excluding the effects of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$1.23 and \$1.27 for 2000 and 1999, respectively			

CenturyTel, Inc.  
CONSOLIDATED STATEMENTS OF INCOME  
NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999  
(UNAUDITED)

Excludes the effect of asset divestitures and nonrecurring gains and losses			
			INCREASE
In thousands, except per share amounts	2000	1999	(DECREASE)
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 284,896	251,708	13.2%
Network access	510,440	460,442	10.9%
Other	82,286	81,748	0.7%
	877,622	793,898	10.5%
Operating expenses			
Plant operations	198,625	176,213	12.7%

Customer operations	76,893	62,230	23.6%
Corporate and other	117,634	112,778	4.3%
Depreciation and amortization	217,371	195,472	11.2%
	610,523	546,693	11.7%
Telephone operating income	267,099	247,205	8.0%
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	320,824	301,433	6.4%
Equipment sales	10,860	6,939	56.5%
	331,684	308,372	7.6%
Operating expenses			
Cost of equipment sold	21,651	13,462	60.8%
System operations	51,682	40,321	28.2%
General, administrative and customer service	56,423	58,269	(3.2%)
Sales and marketing	60,628	40,478	49.8%
Depreciation and amortization	49,141	48,595	1.1%
	239,525	201,125	19.1%
Wireless operating income	92,159	107,247	(14.1%)
OTHER OPERATIONS			
Operating revenues	105,587	81,936	28.9%
Operating expenses			
Cost of sales and other	74,553	57,178	30.4%
Depreciation and amortization	3,200	2,467	29.7%
	77,753	59,645	30.4%
Other operating income	27,834	22,291	24.9%
TOTAL OPERATING INCOME	387,092	376,743	2.7%
OTHER INCOME (EXPENSE)			
Interest expense	(119,927)	(101,118)	18.6%
Income from unconsolidated cellular entities	24,712	26,913	(8.2%)
Minority interest	(8,052)	(9,930)	(18.9%)
Other income and expense	10,475	6,197	69.0%
Income tax expense	(120,342)	(118,909)	1.2%
NET INCOME	\$ 173,958	179,896	(3.3%)
EARNINGS PER SHARE			
Basic	\$ 1.24	1.30	(4.6%)
Diluted	\$ 1.23	1.27	(3.1%)
SHARES OUTSTANDING			
Basic	139,989	138,668	1.0%
Diluted	141,769	141,331	0.3%
DIVIDENDS PER COMMON SHARE	\$ 0.1425	0.1350	5.6%

**CenturyTel, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2000 AND DECEMBER 31, 1999**  
**(UNAUDITED)**

	September 30, 2000	December 31, 1999
(in thousands)		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 71,645	56,640
Other current assets	299,334	229,433



Total current assets	370,979	286,073
PROPERTY, PLANT AND EQUIPMENT		
Telephone	4,901,664	3,439,469
Wireless	503,215	472,725
Other	362,057	281,713
Accumulated depreciation	(2,875,149)	(1,937,449)
Net property, plant and equipment	2,891,787	2,256,458
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	2,523,254	1,644,884
Other	524,862	517,992
Total investments and other assets	3,048,116	2,162,876
TOTAL ASSETS	\$ 6,310,882	4,705,407

#### LIABILITIES AND EQUITY

CURRENT LIABILITIES		
Short-term debt and current maturities of	\$ 349,204	62,098
Other current liabilities	316,581	247,079
Total current liabilities	665,785	309,177
LONG-TERM DEBT	3,129,988	2,078,311
DEFERRED CREDITS AND OTHER LIABILITIES	531,657	469,927
STOCKHOLDERS' EQUITY	1,983,452	1,847,992
TOTAL LIABILITIES AND EQUITY	\$ 6,310,882	4,705,407

#### CAPITAL EXPENDITURES NINE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999

	2000	1999	INC (DEC)
	(in thousands)		
Telephone	\$ 157,841	145,178	8.7%
Wireless	38,964	44,262	(12.0%)
Corporate and other	85,876	47,558	80.6%
Total capital expenditures	\$ 282,681	236,998	19.3%

#### CAPITAL EXPENDITURES THREE MONTHS ENDED SEPTEMBER 30, 2000 AND 1999

	2000	1999	INC (DEC)
	(in thousands)		
Telephone	\$ 82,427	58,554	40.8%
Wireless	24,279	11,072	119.3%
Corporate and other	36,568	18,244	100.4%
Total capital expenditures	\$ 143,274	87,870	63.1%

#### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**CenturyTel, Inc.**

By: /s/ Neil A. Sweasy

Neil A. Sweasy  
Vice President and Controller

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**End of Filing**

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