

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) **July 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filed by us under the Securities Act of 1933, as amended, except to the extent that such incorporated information is superceded by information as of a subsequent date that is included in or incorporated by reference into any such registration statement. None of the following information shall be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

On July 29, 2004, we issued a press release announcing our second quarter 2004 consolidated operating results. More complete information on our operating results will be included in our Quarterly Report on Form 10-Q for the period ended June 30, 2004, which we expect to file shortly with the Securities and Exchange Commission. The entire text of our July 29, 2004 press release is attached as Exhibit 99.

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.

July 29, 2004

/s/ Neil A. Sweasy

Neil A. Sweasy
Vice President and Controller

Exhibit Index

Exhibit
Number

Description of Exhibits

99

Press release of CenturyTel, Inc., dated July 29, 2004.

EXHIBIT 99**FOR IMMEDIATE RELEASE FOR MORE INFORMATION CONTACT:**

July 29, 2004 Media: Patricia Cameron 318.388.9674 patricia.cameron@centurytel.com Investors: Tony Davis 318.388.9525 tony.davis@centurytel.com

CenturyTel Reports Second Quarter Earnings

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating results for second quarter 2004.

- o Operating revenues increased 2.9% to \$603.6 million from \$586.7 million.
- o Operating cash flow (as defined in the attached financial schedules) rose to \$320.7 million.
- o Net income was \$83.3 million compared to \$87.4 million in second quarter 2003.
- o Diluted earnings per share was \$.60 in both second quarter 2004 and 2003.
- o Free cash flow (as defined in the attached financial schedules) was \$119.8 million in second quarter 2004.
- o Through the second quarter, the Company had repurchased 9,862,700 shares of common stock under its share repurchase program for a total investment of nearly \$284 million.

Second Quarter Highlights (In thousands, except per share amounts and customer units)	Quarter Ended 6/30/04	Quarter Ended 6/30/03	% Change
Operating Revenues	\$ 603,555	\$ 586,729	2.9%
Operating Cash Flow (1)	\$ 320,662	\$ 313,046	2.4%
Net Income	\$ 83,284	\$ 87,367	(4.7)%
Diluted Earnings Per Share	\$.60	\$.60	--
Average Diluted Shares Outstanding	138,889	144,475	(3.9)%
Capital Expenditures	\$ 94,269	\$ 94,589	(0.3)%
Telephone Access Lines	2,350,505	2,403,347	(2.2)%
Long Distance Lines (2)	1,013,418	882,835	14.8%
DSL Connections	108,820	67,976	60.1%

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

(2) In first quarter 2004, the Company began reporting long distance units on a line basis instead of a customer basis. Second quarter 2003 has been restated on a line basis to ensure period-to-period comparability.

"CenturyTel achieved solid revenue and operating cash flow growth and repurchased another 4.9 million shares of common stock during the quarter," Glen F. Post, III, chairman and chief executive officer, said. "We also prepaid \$100 million of 8.25% senior notes in May, further strengthening CenturyTel's balance sheet and financial flexibility. While the \$4.6 million prepayment costs negatively affected earnings for this quarter, the prepayment will save the Company over \$8 million in annual interest expense."

Operating revenues rose 2.9% to \$603.6 million in second quarter 2004 from \$586.7 million in second quarter 2003. This \$16.8 million revenue increase primarily resulted from revenue generated by the fiber assets acquired during 2003, higher interstate access revenues related to prior periods, data revenue growth from DSL subscribers and data circuit additions, continued long distance subscriber growth and increased enhanced calling feature penetration. These increases more than offset revenue declines attributable to lower intrastate toll revenues and universal service funding, along with access line losses.

Operating expenses increased 3.8% to \$413.6 million from \$398.3 million in second quarter 2003 due to the fiber assets acquired during 2003, continued DSL subscriber growth and increases in plant operations expenses, marketing expenses and depreciation and amortization.

Operating cash flow increased 2.4% to \$320.7 million from \$313.0 million. CenturyTel achieved an operating cash flow margin of 53.1% during the quarter versus 53.4% in second quarter 2003.

Net income was \$83.3 million compared to \$87.4 million in second quarter 2003. The increase in operating income and lower interest expense was more than offset by the previously announced increase in state income taxes and a \$4.6 million pre-tax charge in second quarter 2004 associated with the prepayment of the Company's \$100 million Series B senior notes. Diluted earnings per share was \$.60 in both second quarter 2004 and 2003.

"We continue to experience good customer demand for our communications service bundles as CenturyTel achieved two significant milestones during the second quarter, surpassing 1 million long distance lines and 100,000 DSL connections," Post said. "Strong demand for high-speed Internet service drove nearly a 40% increase in DSL revenues over second quarter 2003."

For the first six months of 2004, operating revenues increased to \$1.197 billion from \$1.165 billion for the same period in 2003, a 2.8% increase. Operating cash flow, excluding nonrecurring items, was \$631.2 million for the first half of 2004 compared to \$619.6 million a year ago, a 1.9% increase. Operating income, excluding nonrecurring items, increased 1.4% to \$373.5 million from \$368.2 million in 2003. Operating cash flow and operating income for the first half of 2003 included a nonrecurring \$5.0 million pre-tax partial recovery of amounts previously written off in connection with the WorldCom bankruptcy.

For the first six months of 2004, under generally accepted accounting principles (GAAP), net income was \$166.6 million compared to \$171.3 million for the first six months of 2003. Diluted earnings per share was \$1.18 in the first half of 2004 compared to \$1.19 in the first half of 2003.

For the third quarter 2004, CenturyTel expects total revenues of \$590 to \$605 million and diluted earnings per share of \$.56 to \$.60. For the full year 2004, diluted earnings per share is expected to be in the range of \$2.25 to \$2.35, a narrower range than our previous full year 2004 guidance due to fewer fully diluted shares outstanding as a result of share repurchases during the second quarter.

These outlook figures are presented on a GAAP basis, excluding nonrecurring items and the potential impact of any future mergers, acquisitions, divestitures, share repurchases 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 readers in their understanding of period-to-period operating performance and in identifying historical and prospective trends. Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are included in the attached financial statements. Reconciliation of additional non-GAAP financial measures that may be discussed during the earnings call described below will be available in the Investor Relations portion of the Company's Web site at www.centurytel.com. Investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP.

Investor Call. As previously announced, CenturyTel's management will host a conference call at 10:30 a.m. Central Time today. Interested parties can access the call by dialing 800.419.9873. The call will be accessible for replay until 1:00 p.m. Central Time, August 5, 2004, by calling 888.266.2081 and entering the conference ID number 510703. Investors can also listen to CenturyTel's earnings conference call and replay by accessing the Investor Relations portion of the Company's Web site at www.centurytel.com prior to August 19, 2004.

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, 2003. 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 July 29, 2004. The Company undertakes no obligation to update any of its forward-looking statements.

CenturyTel, Inc. provides communications services including local, long distance, Internet access and data services to 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 JUNE 30, 2004 AND 2003
(UNAUDITED)

In thousands, except	Three months ended	Three months ended	Increase
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per share amounts	June 30, 2004	June 30, 2003	(decrease)
OPERATING REVENUES			
Local service	\$ 180,142	178,360	1.0%
Network access	245,515	248,220	(1.1%)
Long distance	45,727	43,201	5.8%
Data	68,169	60,672	12.4%
Fiber transport and CLEC	18,321	9,036	102.8%
Other	45,681	47,240	(3.3%)
	603,555	586,729	2.9%
OPERATING EXPENSES			
Cost of services and products	190,226	183,960	3.4%
Selling, general and administrative	92,667	89,723	3.3%
Depreciation and amortization	130,751	124,665	4.9%
	413,644	398,348	3.8%
OPERATING INCOME	189,911	188,381	0.8%
OTHER INCOME (EXPENSE)			
Interest expense	(53,089)	(55,957)	(5.1%)
Income from unconsolidated cellular entity	2,126	1,590	33.7%
Other income and expense	(3,811)	974	(491.3%)
Income tax expense	(51,853)	(47,621)	8.9%
NET INCOME	\$ 83,284	87,367	(4.7%)
BASIC EARNINGS PER SHARE	\$ 0.60	0.61	(1.6%)
DILUTED EARNINGS PER SHARE	\$ 0.60	0.60	-
SHARES OUTSTANDING			
Basic	138,066	143,329	(3.7%)
Diluted	138,889	144,475	(3.9%)
DIVIDENDS PER COMMON SHARE	\$ 0.0575	0.055	4.5%

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
SIX MONTHS ENDED JUNE 30, 2004 AND 2003
(UNAUDITED)

In thousands, except per share amounts	Six months ended June 30, 2004			Six months ended June 30, 2003			Increase (decrease) as reported	Increase (decrease) excluding nonrecurring items
	As reported	Less non- recurring items	As adjusted excluding non- recurring items	As reported	Less non- recurring items	As adjusted excluding non- recurring items		
OPERATING REVENUES								
Local service	\$ 358,200		358,200	355,373		355,373	0.8%	0.8%
Network access	486,472		486,472	494,550		494,550	(1.6%)	(1.6%)
Long distance	90,316		90,316	85,761		85,761	5.3%	5.3%
Data	133,797		133,797	118,808		118,808	12.6%	12.6%
Fiber transport and CLEC	35,753		35,753	14,931		14,931	139.5%	139.5%
Other	92,721		92,721	95,320		95,320	(2.7%)	(2.7%)
	1,197,259	-	1,197,259	1,164,743	-	1,164,743	2.8%	2.8%
OPERATING EXPENSES								
Cost of services and products	371,775		371,775	361,820		361,820	2.8%	2.8%
Selling, general and administrative	194,273		194,273	178,339	(4,959) (1)	183,298	8.9%	6.0%
Depreciation and amortization	257,743		257,743	251,430		251,430	2.5%	2.5%
	823,791	-	823,791	791,589	(4,959)	796,548	4.1%	3.4%
OPERATING INCOME	373,468	-	373,468	373,154	4,959	368,195	0.1%	1.4%
OTHER INCOME (EXPENSE)								
Interest expense	(105,632)		(105,632)	(111,549)		(111,549)	(5.3%)	(5.3%)
Income from unconsolidated								

cellular entity	4,185	4,185	3,159	3,159	32.5%	32.5%		
Other income and expense	(1,507)	(1,507)	42	42	(3,688.1%)	(3,688.1%)		
Income tax expense	(103,951)	(103,951)	(93,520)	(1,736) (2)	(91,784)	11.2%	13.3%	
	-----	-----	-----	-----	-----	-----	-----	
NET INCOME	\$ 166,563	-	166,563	171,286	3,223	168,063	(2.8%)	(0.9%)
	=====	=====	=====	=====	=====	=====	=====	=====
BASIC EARNINGS PER SHARE	\$ 1.19	1.19	1.20	0.02	1.17	(0.8%)	1.7%	
DILUTED EARNINGS PER SHARE	\$ 1.18	1.18	1.19	0.02	1.17	(0.8%)	0.9%	
SHARES OUTSTANDING								
Basic	140,325	140,325	143,109		143,109	(1.9%)	(1.9%)	
Diluted	141,118	141,118	144,136		144,136	(2.1%)	(2.1%)	
DIVIDENDS PER COMMON SHARE	\$ 0.115	0.115	0.11		0.11	4.5%	4.5%	
NONRECURRING ITEMS								
(1) - Partial recovery of amounts previously written off in connection with WorldCom bankruptcy.								
(2) - Tax effect of item (1).								

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2004 AND DECEMBER 31, 2003
(UNAUDITED)

	June 30, 2004	Dec. 31, 2003
	-----	-----
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 96,386	203,181
Other current assets	240,494	259,758
	-----	-----
Total current assets	336,880	462,939
	-----	-----
NET PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	7,254,584	7,184,155
Accumulated depreciation	(3,906,613)	(3,728,674)
	-----	-----
Net property, plant and equipment	3,347,971	3,455,481
	-----	-----
INVESTMENTS AND OTHER ASSETS		
Goodwill	3,426,766	3,425,001
Other	572,721	552,431
	-----	-----
Total investments and other assets	3,999,487	3,977,432
	-----	-----
TOTAL ASSETS	\$ 7,684,338	7,895,852
	=====	=====
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 121,456	72,453
Other current liabilities	412,441	398,930
	-----	-----
Total current liabilities	533,897	471,383
	-----	-----
LONG-TERM DEBT	2,883,784	3,109,302
DEFERRED CREDITS AND OTHER LIABILITIES	913,513	836,651
STOCKHOLDERS' EQUITY	3,353,144	3,478,516
	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 7,684,338	7,895,852
	=====	=====

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

	Three months ended	Three months ended
	June 30, 2004	June 30, 2003
	-----	-----
In thousands		

Operating cash flow and cash flow margin		
Operating income	\$ 189,911	188,381
Add: Depreciation and amortization	130,751	124,665
Operating cash flow	\$ 320,662	313,046
=====		
Revenues	\$ 603,555	586,729
=====		
Operating income margin (operating income divided by revenues)	31.5%	32.1%
=====		
Operating cash flow margin (operating cash flow divided by revenues)	53.1%	53.4%
=====		
Free cash flow (prior to debt service requirements and dividends)		
Net income	\$ 83,284	87,367
Add: Depreciation and amortization	130,751	124,665
Less: Capital expenditures	(94,269)	(94,589)
Free cash flow	\$ 119,766	117,443
=====		
Free cash flow	\$ 119,766	117,443
Income from unconsolidated cellular entity	(2,126)	(1,590)
Deferred income taxes	30,365	34,339
Changes in current assets and current liabilities	(25,425)	11,017
Increase in other noncurrent assets	(6,877)	(4,750)
Increase in other noncurrent liabilities	405	1,281
Retirement benefits	7,033	6,737
Other, net	2,508	706
Add: Capital expenditures	94,269	94,589

Net cash provided by operating activities	\$ 219,918	259,772
=====		

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

In thousands	Six months ended June 30, 2004			Six months ended June 30, 2003		
	As reported	Less non-recurring items	As adjusted excluding non-recurring items	As reported	Less non-recurring items	As adjusted excluding non-recurring items

Operating cash flow and cash flow margin						
Operating income	\$ 373,468	-	373,468	373,154	4,959 (1)	368,195
Add: Depreciation and amortization	257,743		257,743	251,430		251,430
Operating cash flow	\$ 631,211	-	631,211	624,584	4,959	619,625
=====						
Revenues	\$ 1,197,259	-	1,197,259	1,164,743	-	1,164,743
=====						
Operating income margin (operating income divided by revenues)	31.2%		31.2%	32.0%		31.6%
=====						
Operating cash flow margin (operating cash flow divided by revenues)	52.7%		52.7%	53.6%		53.2%
=====						
Free cash flow (prior to debt service requirements and dividends)						
Net income	\$ 166,563	-	166,563	171,286	3,223 (1)	168,063

Add: Depreciation and amortization	257,743	-	257,743	251,430	-	251,430
Less: Capital expenditures	(156,014)	-	(156,014)	(154,258)	-	(154,258)
	-----			-----		
Free cash flow	\$ 268,292	-	268,292	268,458	3,223	265,235
	=====			=====		
Free cash flow	\$ 268,292			268,458		
Income from unconsolidated cellular entity	(4,185)			(3,159)		
Deferred income taxes	57,038			43,841		
Changes in current assets and current liabilities	32,270			115,827		
Increase in other noncurrent assets	(17,909)			(11,501)		
Increase (decrease) in other noncurrent liabilities	(3,544)			693		
Retirement benefits	17,863			11,876		
Other, net	(2,481)			(1,220)		
Add: Capital expenditures	156,014			154,258		
	-----			-----		
Net cash provided by operating activities	\$ 503,358			579,073		
	=====			=====		

NONRECURRING ITEMS

- (1) Partial recovery of amounts previously written off in connection with WorldCom bankruptcy (presented on both a pre-tax and after-tax basis).