

CENTURYTEL INC

FORM 8-K

(Unscheduled Material Events)

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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) January 28, 1999

CENTURY TELEPHONE ENTERPRISES, 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 Century Park Drive, Monroe, Louisiana		71203
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code		(318) 388-9500

Item 5. Other Events

The following press release was issued by Century Telephone Enterprises, Inc. on January 28, 1999:

FOR IMMEDIATE RELEASE
January 28, 1999

FOR MORE INFORMATION CONTACT:
Jeffrey S. Glover (318) 388-9648
jeff.glover@centurytel.com

**CenturyTel Achieves 39.6% Increase in Fourth Quarter Core Earnings
to Complete 15th Consecutive Year of Record Earnings**

Monroe, LA. . . CenturyTel (Century Telephone Enterprises, Inc., NYSE Symbol:
CTL) announces operating results for fourth quarter 1998.

- o Revenues jumped 51.7% to \$415.0 million.
- o Net income (excluding gain on asset sales) climbed 39.6% to \$52.2 million.
- o Diluted earnings per share (excluding gain on asset sales) rose 36.6% to \$.56.
- o Earnings before interest, taxes, depreciation, amortization and gain on sales of assets advanced 59.3% to \$214.3 million.

Fourth Quarter Highlights
(Dollars, except per share data, and shares in thousands)

	Quarter Ended 12/31/98	Quarter Ended 12/31/97	% Change
Revenues	\$ 415,038	\$ 273,609	51.7%
EBITDA (1)	\$ 214,318	\$ 134,517	59.3%

Net Income (2)	\$ 52,194	\$ 37,397	39.6%
Diluted Earnings Per Share (2)	\$.56	\$.41	36.6%
Average Diluted Shares Outstanding	93,795	92,431	1.5%
<hr/>			
Telephone Revenues	\$ 291,078	\$ 171,143	70.1%
Wireless Revenues	\$ 102,050	\$ 87,270	16.9%
Other Operations Revenues	\$ 21,910	\$ 15,196	44.2%
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Telephone Access Lines	1,346,567	1,203,650	11.9%
Cellular Units in Majority-Owned Markets	624,119	569,983	9.5%
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(1) Earnings before interest, taxes, depreciation, amortization and gain on sales of assets

(2) Excludes after-tax gain on sales of assets of \$60.8 million, or \$.65 per share in fourth quarter 1997

"We are pleased to complete another year of record operating earnings for CenturyTel with excellent fourth quarter results," Glen F. Post, III, President and Chief Executive Officer, said. "CenturyTel achieved strong fourth quarter customer growth while core earnings rose by almost 40%. We enter 1999 a stronger, more dynamic company with a clear vision of pursuing additional growth to further enhance shareholder value."

Net income excluding gain on sales of assets for the quarter climbed 39.6% to \$52.2 million from \$37.4 million in fourth quarter 1997. Diluted earnings per share excluding gain on sales of assets increased 36.6% to \$.56 from \$.41, and consolidated revenues rose 51.7% to \$415.0 million from \$273.6 million. Earnings before interest, taxes, depreciation, amortization and gain on sales of assets (EBITDA) grew to \$214.3 million from \$134.5 million, a 59.3% increase. The Pacific Telecom (PTI) and Ameritech acquisitions contributed \$114.4 million to the increase in revenues and were accretive to earnings during fourth quarter 1998.

Telephone revenues grew 70.1% to \$291.1 million during the quarter, compared with \$171.1 million in fourth quarter 1997. Telephone operating income increased 65.3%, reaching \$88.7 million from \$53.7 million, and operating cash flow rose 70.4% to \$157.1 million from \$92.2 million a year ago. CenturyTel's fourth quarter telephone operating cash flow margin was 54.0% while the operating income margin was 30.5%.

Wireless revenues grew 16.9% to \$102.1 million in fourth quarter 1998, compared with \$87.3 million in fourth quarter 1997. Wireless operating income advanced 19.7%, reaching \$26.7 million from \$22.3 million, and operating cash flow climbed 27.9% to \$43.5 million from \$34.0 million a year ago. CenturyTel's fourth quarter wireless operating cash flow margin was 42.6% (43.8% based on service revenues), and operating income margin was 26.2% (26.9% based on service revenues).

Average monthly cellular service revenue per user (ARPU) was \$55 during fourth quarter 1998, an 8.3% decrease from \$60 a year ago. Cellular net additions were more than 32,500 for the quarter, while the average monthly churn rate was 2.17%. "CenturyTel's wireless operations finished the year strong by achieving excellent subscriber growth and record fourth quarter margins, while reducing customer churn," Post said.

Revenues from other operations grew 44.2% to \$21.9 million during fourth quarter 1998, compared with \$15.2 million in fourth quarter 1997. CenturyTel now serves more than 226,700 long distance customers, adding more than 12,000 during the quarter.

Year-End Highlights (Dollars, except per share data, and shares in thousands)			
	Year Ended 12/31/98	Year Ended 12/31/97	% Change
Revenues	\$ 1,577,085	\$ 901,521	74.9%
EBITDA (1)	\$ 833,705	\$ 454,670	83.4%
Net Income (2)	\$ 198,229	\$ 149,562	32.5%
Diluted Earnings Per Share (2)	\$ 2.13	\$ 1.64	29.9%
Average Diluted Shares Outstanding	93,403	91,608	2.0%
Telephone Revenues	\$ 1,091,610	\$ 530,597	105.7%
Wireless Revenues	\$ 407,749	\$ 307,742	32.5%
Other Operations Revenues	\$ 77,726	\$ 63,182	23.0%

(1) Earnings before interest, taxes, depreciation, amortization and gain on sales of assets

(2) Excludes after-tax gain on sales of assets of \$30.5 million, or \$.32 per share, in 1998 and \$106.4 million, or \$1.16 per share, in 1997

For the year 1998, net income, excluding gain on sales of assets, rose 32.5% to \$198.2 million from \$149.6 million. Diluted earnings per share, excluding gains, rose 29.9% to \$2.13 from \$1.64, and consolidated revenues increased 74.9% to \$1.6 billion from \$901.5 million. EBITDA grew to \$833.7 million from \$454.7 million, an 83.4% increase.

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 effects of ongoing deregulation in the telecommunications industry; 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; the risks inherent in rapid technological change; the Company's ability to effectively manage its growth, including integrating newly-acquired properties into the Company's operations; the success and expense of the remediation efforts of the Company and its vendors in achieving year 2000 compliance; 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, 1997.

CenturyTel (Century Telephone Enterprises, Inc.) provides integrated communications services including local exchange, wireless, long distance, Internet access and security services to more than two 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 9th largest local exchange telephone company, based on access lines, and the 10th largest cellular company, based on population equivalents owned, in the United States.

Visit CenturyTel's corporate website at(www.centurytel.com)

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 1998 AND 1997
(UNAUDITED)

INCREASE In thousands, except per share amounts 1998 1997 (DECREASE)

TELEPHONE OPERATIONS

Operating revenues				
Local service	\$	88,072	48,840	80.3%
Network access		167,007	101,894	63.9%
Other		35,999	20,409	76.4%
		291,078	171,143	70.1%
Operating expenses				
Plant operations		68,555	37,207	84.3%
Customer operations		24,596	16,145	52.3%
Corporate and other		40,849	25,635	59.3%
Depreciation and amortization		68,377	38,481	77.7%
		202,377	117,468	72.3%
Telephone operating income		88,701	53,675	65.3%

WIRELESS OPERATIONS

Operating revenues				
Cellular service revenues		99,270	85,680	15.9%
Equipment sales		2,780	1,590	74.8%
		102,050	87,270	16.9%
Operating expenses				
Cost of equipment sold		5,772	4,203	37.3%
System operations		15,709	13,626	15.3%
General, administrative and customer service		20,392	18,690	9.1%
Sales and marketing		16,721	16,783	(0.4%)
Depreciation and amortization		16,735	11,639	43.8%
		75,329	64,941	16.0%
Wireless operating income		26,721	22,329	19.7%

OTHER OPERATIONS

Operating revenues	21,910	15,196	44.2%

Operating expenses			
Cost of sales and other	16,171	12,713	27.2%
Depreciation and amortization	1,154	635	81.7%

	17,325	13,348	29.8%

Other operating income	4,585	1,848	148.1%

TOTAL OPERATING INCOME	120,007	77,852	54.1%

OTHER INCOME (EXPENSE)			
Gain on sales of assets	-	99,519	(100.0%)
Interest expense	(40,767)	(22,935)	77.8%
Income from unconsolidated cellular entities	7,764	6,044	28.5%
Minority interest	(2,533)	(1,776)	42.6%
Other income and expense	2,814	1,642	71.4%
Income tax expense	(35,091)	(62,112)	(43.5%)

NET INCOME	\$ 52,194	98,234	(46.9%)
=====			
EARNINGS PER SHARE			
Basic	\$ 0.57	1.08 (1)	(47.2%)
Diluted	\$ 0.56	1.06 (2)	(47.2%)

SHARES OUTSTANDING			
Basic	91,646	90,549	1.2%
Diluted	93,795	92,431	1.5%

DIVIDENDS PER COMMON SHARE	\$ 0.065	0.0617	5.3%

(1) Includes \$.67 resulting from gain on sales of assets

(2) Includes \$.65 resulting from gain on sales of assets

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 1998 AND 1997
(UNAUDITED)

INCREASE In thousands, except per share amounts 1998 1997 (DECREASE)

TELEPHONE OPERATIONS

Operating revenues			
Local service	\$ 331,736	147,589	124.8%
Network access	629,583	319,301	97.2%
Other	130,291	63,707	104.5%

	1,091,610	530,597	105.7%

Operating expenses			
Plant operations	245,164	110,220	122.4%
Customer operations	92,552	50,819	82.1%
Corporate and other	157,293	80,551	95.3%
Depreciation and amortization	262,893	115,722	127.2%

	757,902	357,312	112.1%

Telephone operating income	333,708	173,285	92.6%

WIRELESS OPERATIONS			
Operating revenues			
Cellular service revenues	398,661	302,156	31.9%
Equipment sales	9,088	5,586	62.7%

	407,749	307,742	32.5%

Operating expenses			
Cost of equipment sold	16,954	14,576	16.3%

System operations	59,920	47,572	26.0%
General, administrative and customer service	80,827	62,258	29.8%
Sales and marketing	57,466	54,128	6.2%
Depreciation and amortization	62,002	41,127	50.8%
	277,169	219,661	26.2%
Wireless operating income	130,580	88,081	48.2%
OTHER OPERATIONS			
Operating revenues	77,726	63,182	23.0%
Operating expenses			
Cost of sales and other	58,544	54,132	8.2%
Depreciation and amortization	3,659	2,646	38.3%
	62,203	56,778	9.6%
Other operating income	15,523	6,404	142.4%
TOTAL OPERATING INCOME	479,811	267,770	79.2%
OTHER INCOME (EXPENSE)			
Gain on sales or exchange of assets	49,859	169,640	(70.6%)
Interest expense	(167,552)	(56,474)	196.7%
Income from unconsolidated cellular entities	32,869	27,794	18.3%
Minority interest	(12,797)	(5,498)	132.8%
Other income and expense	5,268	5,109	3.1%
Income tax expense	(158,701)	(152,363)	4.2%
NET INCOME	\$ 228,757	255,978	(10.6%)
EARNINGS PER SHARE			
Basic	\$ 2.50 (1)	2.84 (1)	(12.0%)
Diluted	\$ 2.45 (2)	2.80 (2)	(12.5%)
SHARES OUTSTANDING			
Basic	91,340	89,990	1.5%
Diluted	93,403	91,608	2.0%
DIVIDENDS PER COMMON SHARE	\$ 0.26	0.247	5.3%

(1) Includes \$.33 and \$1.18 in 1998 and 1997, respectively, resulting from gain on sale or exchange of assets

(2) Includes \$.32 and \$1.16 in 1998 and 1997, respectively, resulting from gain on sale or exchange of assets

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1998 AND 1997
(UNAUDITED)

1998 1997

(in thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,742	26,017
Other current assets	220,496	257,463
Total current assets	226,238	283,480
PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,660,252	3,295,860
Wireless	428,984	380,218
Other	200,422	169,420

Accumulated depreciation	(1,938,205)	(1,586,935)
Net property, plant and equipment	2,351,453	2,258,563
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,956,701	1,767,352
Other	401,063	400,006
Total investments and other assets	2,357,764	2,167,358
TOTAL ASSETS	\$ 4,935,455	4,709,401

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 53,010	55,244
Other current liabilities	251,834	266,764
Total current liabilities	304,844	322,008
LONG-TERM DEBT	2,558,000	2,609,541
DEFERRED CREDITS AND OTHER LIABILITIES	541,129	477,580
STOCKHOLDERS' EQUITY	1,531,482	1,300,272
TOTAL LIABILITIES AND EQUITY	\$ 4,935,455	4,709,401

CAPITAL EXPENDITURES TWELVE MONTHS ENDED DECEMBER 31, 1998 AND 1997

	INC		
	1998	1997	(DEC)
	(in thousands)		
Telephone	\$ 233,190	115,854	101.3%
Wireless	49,538	39,102	26.7%
Corporate and other	36,875	26,269	40.4%
Total capital expenditures	\$ 319,603	181,225	76.4%

CAPITAL EXPENDITURES THREE MONTHS ENDED DECEMBER 31, 1998 AND 1997

	INC		
	1998	1997	(DEC)
	(in thousands)		
Telephone	\$ 91,227	38,521	136.8%
Wireless	6,702	8,651	(22.5%)
Corporate and other	12,645	10,709	18.1%
Total capital expenditures	\$ 110,574	57,881	91.0%

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.

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ R. Stewart Ewing

R. Stewart Ewing
Senior Vice President and
Chief Financial Officer

End of Filing

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