

CENTURYTEL INC

FORM 8-K

(Unscheduled Material Events)

Filed 3/7/2000 For Period Ending 12/31/1999

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 27, 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 Century Park 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 January 27, 2000:

FOR IMMEDIATE RELEASE
January 27, 2000

FOR MORE INFORMATION CONTACT:
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**CenturyTel Achieves Excellent Customer Growth During 1999 and Completes 16th
Consecutive Year of Record Earnings**

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating
results for fourth quarter 1999.

o Revenues from recurring operations climbed 11.8% to \$426.5 million.

o Net income from recurring operations jumped 15.7% to \$58.9 million.

o Diluted earnings per share from recurring operations rose 16.7% to \$.42.

o Earnings before interest, taxes, depreciation, amortization and gain on sales of assets, from recurring operations increased 8.8% to \$214.3 million.

Fourth Quarter Highlights,
excluding the effect of asset divestitures
and nonrecurring gains and losses

Quarter Ended Quarter Ended % Change
12/31/99 12/31/98

(In thousands, except per share amounts)

Revenues (1)

\$ 426,458 \$ 381,446 11.8%

EBITDA (2)	\$	214,271	\$	196,922	8.8
Net Income (3)	\$	58,942	\$	50,926	15.7
Diluted Earnings Per Share (3)(4)	\$.42	\$.36	16.7
Average Diluted Shares Outstanding (4)		141,756		140,693	.8
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Telephone Revenues (1)	\$	293,167	\$	261,143	12.3
Wireless Revenues	\$	102,024	\$	98,466	3.6
Other Operations Revenues	\$	31,267	\$	21,837	43.2
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Telephone Access Lines		1,272,867		1,214,709	4.8%
Wireless Units in Majority-Owned Markets		707,486		614,045	15.2%
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(1) 1999 results include a \$9.6 million incremental revenue contribution from the 1998 acquisition of properties in Wisconsin from Ameritech

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

(3) Excludes after-tax gain on asset sales of \$7.6 million, or \$.05 per share, and nonrecurring charges of \$5.8 million, or \$.04 per share, in fourth quarter 1999

(4) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999

"CenturyTel finished 1999 with excellent customer growth during the fourth quarter," Glen F. Post, III, President and Chief Executive Officer, said. "For the quarter, CenturyTel added 56,600 wireless subscribers, 18,200 long distance customers and 4,700 Internet customers. Financial performance from recurring operations was very strong during the quarter. We enter 2000 focused on driving additional growth in our core wireline and wireless operations, aggressively deploying DSL technology, expanding our CLEC initiative and completing previously announced acquisitions."

Net income for the quarter from recurring operations climbed 15.7% to \$58.9 million from \$50.9 million in fourth quarter 1998. Diluted earnings per share from recurring operations increased 16.7% to \$.42 from \$.36. Consolidated revenues from recurring operations rose 11.8% to \$426.5 million from \$381.4 million. EBITDA from recurring operations grew to \$214.3 million from \$196.9 million, an 8.8% increase. CenturyTel achieved a consolidated EBITDA margin of 50.2% during the quarter.

These results exclude the 1998 contribution to revenues of \$33.6 million and associated expenses from the sale of non-strategic assets in Alaska and South Texas during the second quarter 1999. Also excluded are a one-time gain of \$7.6 million, or \$.05 per share, related to the sale of non-strategic assets and one-time charges of \$5.8 million, or \$.04 per share, in the fourth quarter of 1999. \$4.1 million of these one-time charges is related to a non-cash charge taken by BellSouth in a market in which CenturyTel has a minority ownership interest. The remaining one-time charge of \$1.7 million relates to the closure of CenturyTel's call center operations.

Telephone revenues from recurring operations grew 12.3% to \$293.2 million during the quarter, compared with \$261.1 million in fourth quarter 1998. A prior-year acquisition contributed \$9.6 million in incremental telephone revenues during the quarter. Telephone operating income from recurring operations increased 13.4%, reaching \$91.4 million from \$80.6 million, and EBITDA from recurring operations rose 12.7% to \$159.8 million from \$141.7 million a year ago. CenturyTel's fourth quarter telephone EBITDA margin was 54.5% while the operating income margin was 31.2% from recurring operations.

These results exclude the 1998 contribution to revenues of \$31.2 million and associated expenses from telephone properties in Alaska that were sold during second quarter 1999.

"During the quarter, CenturyTel deployed DSL service utilizing the new G-lite equipment and the demand has been very strong. In addition, we successfully initiated a CLEC trial in Shreveport, Louisiana, during the quarter and we look forward to making our CLEC services commercially available during the first half of 2000," Post said.

Wireless revenues from recurring operations grew 3.6% to \$102.0 million in fourth quarter 1999, compared with \$98.5 million in fourth quarter 1998. Wireless operating income from recurring operations was \$22.1 million compared to \$25.1 million, an 11.7% decrease, and EBITDA from recurring operations decreased 3.3% to \$39.8 million compared to \$41.1 million a year ago. Higher customer growth directly increased sales and marketing expenses which reduced operating income and cash flow for the quarter. CenturyTel's fourth quarter wireless EBITDA margin was 39.0% (40.3% based on service revenues), and operating income margin was 21.7% (22.4% based on service revenues). Average monthly cellular service revenue per user (ARPU) was \$49 during fourth quarter 1999, a 10.9% decrease from \$55 a year ago. The average monthly churn rate was 1.9%.

These results exclude the 1998 contribution to revenues of \$3.7 million and associated expenses from cellular properties in South Texas and Alaska that were sold during second quarter 1999.

"CenturyTel achieved company-record fourth quarter wireless customer growth as we added more than 56,000 wireless subscribers, surpassing the 700,000 wireless customer mark. Subscriber growth accelerated 73% for the year, while customer churn declined 33 basis points. This strong customer growth led to increased sales and marketing costs in the current quarter but should generate additional revenue in future quarters," Post said.

Other operations revenues from recurring operations grew 43.2% to \$31.3 million during fourth quarter 1999, compared with \$21.8 million in fourth quarter 1998. CenturyTel's long distance business generated \$7.9 million of the increase in other operations revenues. CenturyTel now serves more than 303,700 long distance customers, adding nearly 18,200 during the quarter. CenturyTel recently announced its intentions to close its operator services call center business due to continuing losses and the lack of viable long-term growth prospects.

"CenturyTel's long distance customer base surpassed the 300,000 customer mark as long distance revenues jumped 49% to \$24 million for the quarter," Post said.

For the full year of 1999, net income from recurring operations climbed 22.7% to \$237.9 million from \$193.9 million in 1998. Diluted earnings per share increased 20.9% to \$1.68 from \$1.39, and consolidated revenues rose 12.4% to \$1.6 billion from \$1.4 billion. EBITDA grew to \$861.2 million from \$765.4 million, a 12.5% increase.

These results exclude the revenue impact and associated expenses related to the sale of the assets in Alaska and South Texas, which occurred in second quarter 1999. Also excluded are one-time gains of \$7.3 million, or \$.05 per share, related to the sale of non-strategic assets and one-time charges of \$5.8 million, or \$.04 per share, during 1999.

"CenturyTel generated free-cash flow of \$167 million, demonstrating our financial strength and ability to reduce debt. We reduced long-term debt by \$470 million during 1999, utilizing free-cash flow and proceeds from asset sales," Post said.

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 the timely consummation of pending acquisitions, and integrating newly-acquired properties into the Company's operations; 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, 1998.

CenturyTel, Inc. provides integrated communications services including local exchange, wireless, long distance, Internet access and security monitoring 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 seventh largest local exchange telephone company, based on access lines, and the ninth largest cellular company, based on population equivalents owned, in the United States. Visit CenturyTel's corporate website at (www.centurytel.com).

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 1999 AND 1998
(UNAUDITED)

	1999	1998	INCREASE (DECREASE)

	In thousands, except per share amounts		

TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 87,415	88,072	(0.7%)
Network access	171,377	167,007	2.6%
Other	34,375	35,999	(4.5%)

	293,167	291,078	0.7%

Operating expenses			
Plant operations	65,904	68,555	(3.9%)
Customer operations	23,109	24,596	(6.0%)
Corporate and other	44,400	40,849	8.7%
Depreciation and amortization	68,313	68,377	(0.1%)

	201,726	202,377	(0.3%)

Telephone operating income	91,441	88,701	3.1%

WIRELESS OPERATIONS			
Operating revenues			
Service revenues	98,619	99,343	(0.7%)
Equipment sales	3,405	2,780	22.5%

	102,024	102,123	(0.1%)
Operating expenses			
Cost of equipment sold	7,560	5,781	30.8%
System operations	14,472	15,764	(8.2%)
General, administrative and customer service	19,456	20,565	(5.4%)
Sales and marketing	20,773	16,949	22.6%
Depreciation and amortization	17,630	17,071	3.3%
	79,891	76,130	4.9%
Wireless operating income	22,133	25,993	(14.9%)
OTHER OPERATIONS			
Operating revenues	31,267	21,837	43.2%
Operating expenses			
Cost of sales and other	25,499	15,706	62.4%
Depreciation and amortization	2,580	818	215.4%
	28,079	16,524	69.9%
Other operating income	3,188	5,313	(40.0%)
TOTAL OPERATING INCOME	116,762	120,007	(2.7%)
OTHER INCOME (EXPENSE)			
Interest expense	(35,832)	(40,767)	(12.1%)
Income from unconsolidated cellular entities	762	7,764	(90.2%)
Minority interest	(2,353)	(2,533)	(7.1%)
Gain on sales of assets	11,648	-	-
Other income and expense	2,468	2,814	(12.3%)
Income tax expense	(32,782)	(35,091)	(6.6%)
NET INCOME	\$ 60,673	52,194	16.2%
EARNINGS PER SHARE (1)			
Basic (2)	\$ 0.43	0.38	13.2%
Diluted (3)	\$ 0.43	0.37	16.2%
SHARES OUTSTANDING (1)			
Basic	139,372	137,469	1.4%
Diluted	141,756	140,693	0.8%
DIVIDENDS PER COMMON SHARE (1)	\$ 0.0450	0.0433	3.9%

(1) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999

(2) Excluding the effect of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$.42 and \$.37 for 1999 and 1998, respectively

(3) Excluding the effect of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$.42 and \$.36 for 1999 and 1998, respectively

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 1999 AND 1998
(UNAUDITED)

Excludes the effect of asset divestitures and nonrecurring gains and losses	1999	1998	INCREASE (DECREASE)
In thousands, except per share amounts			
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 87,415	78,503	11.4%

Network access	171,377	152,163	12.6%
Other	34,375	30,477	12.8%
	293,167	261,143	12.3%
Operating expenses			
Plant operations	65,904	58,539	12.6%
Customer operations	23,109	21,767	6.2%
Corporate and other	44,400	39,096	13.6%
Depreciation and amortization	68,313	61,118	11.8%
	201,726	180,520	11.7%
Telephone operating income	91,441	80,623	13.4%
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	98,619	95,755	3.0%
Equipment sales	3,405	2,711	25.6%
	102,024	98,466	3.6%
Operating expenses			
Cost of equipment sold	7,560	5,619	34.5%
System operations	14,472	15,080	(4.0%)
General, administrative and customer service	19,456	20,039	(2.9%)
Sales and marketing	20,773	16,601	25.1%
Depreciation and amortization	17,630	16,069	9.7%
	79,891	73,408	8.8%
Wireless operating income	22,133	25,058	(11.7%)
OTHER OPERATIONS			
Operating revenues	31,267	21,837	43.2%
Operating expenses			
Cost of sales and other	24,250	15,706	54.4%
Depreciation and amortization	1,080	818	32.0%
	25,330	16,524	53.3%
Other operating income	5,937	5,313	11.7%
TOTAL OPERATING INCOME	119,511	110,994	7.7%
OTHER INCOME (EXPENSE)			
Interest expense	(35,832)	(34,968)	2.5%
Income from unconsolidated cellular entities	7,622	7,764	(1.8%)
Minority interest	(2,353)	(2,533)	(7.1%)
Other income and expense	2,468	2,692	(8.3%)
Income tax expense	(32,474)	(33,023)	(1.7%)
NET INCOME	\$ 58,942	50,926	15.7%
EARNINGS PER SHARE (1)			
Basic	\$ 0.42	0.37	13.5%
Diluted	\$ 0.42	0.36	16.7%
SHARES OUTSTANDING (1)			
Basic	139,372	137,469	1.4%
Diluted	141,756	140,693	0.8%
DIVIDENDS PER COMMON SHARE (1)	\$ 0.0450	0.0433	3.9%

(1) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999

CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 1999 AND 1998
(UNAUDITED)

	1999	1998	INCREASE (DECREASE)

	In thousands, except per share amounts		

TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 353,534	331,736	6.6%
Network access	654,003	629,583	3.9%
Other	135,056	130,291	3.7%

	1,142,593	1,091,610	4.7%

Operating expenses			
Plant operations	262,864	245,164	7.2%
Customer operations	91,077	92,552	(1.6%)
Corporate and other	160,819	157,293	2.2%
Depreciation and amortization	275,476	262,893	4.8%

	790,236	757,902	4.3%

Telephone operating income	352,357	333,708	5.6%

WIRELESS OPERATIONS			
Operating revenues			
Service revenues	411,492	398,739	3.2%
Equipment sales	10,777	9,088	18.6%

	422,269	407,827	3.5%

Operating expenses			
Cost of equipment sold	21,408	16,992	26.0%
System operations	56,866	60,049	(5.3%)
General, administrative and customer service	79,569	81,350	(2.2%)
Sales and marketing	61,903	57,967	6.8%
Depreciation and amortization	68,593	62,345	10.0%

	288,339	278,703	3.5%

Wireless operating income	133,930	129,124	3.7%

OTHER OPERATIONS			
Operating revenues	111,807	77,648	44.0%

Operating expenses			
Cost of sales and other	85,278	57,353	48.7%
Depreciation and amortization	4,747	3,316	43.2%

	90,025	60,669	48.4%

Other operating income	21,782	16,979	28.3%

TOTAL OPERATING INCOME	508,069	479,811	5.9%

OTHER INCOME (EXPENSE)			
Interest expense	(150,557)	(167,552)	(10.1%)
Income from unconsolidated cellular entities	27,675	32,869	(15.8%)
Minority interest	(27,913)	(12,797)	118.1%
Gain on sales of assets	62,808	49,859	26.0%
Other income and expense	9,190	5,268	74.4%
Income tax expense	(189,503)	(158,701)	19.4%

NET INCOME	\$ 239,769	228,757	4.8%
=====			
EARNINGS PER SHARE (1)			
Basic (2)	\$ 1.72	1.67	3.0%
Diluted (3)	\$ 1.70	1.64	3.7%

SHARES OUTSTANDING (1)			
Basic	138,848	137,010	1.3%
Diluted	141,432	140,105	0.9%
DIVIDENDS PER COMMON SHARE (1)			
	\$ 0.1800	0.1732	3.9%

(1) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999

(2) Excluding the effect of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$1.71 and \$1.41 for 1999 and 1998, respectively

(3) Excluding the effect of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$1.68 and \$1.39 for 1999 and 1998, respectively

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED DECEMBER 31, 1999 AND 1998
(UNAUDITED)

Excludes the effect of asset divestitures and nonrecurring gains and losses	1999	1998	INCREASE (DECREASE)
	In thousands, except per share amounts		
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 339,123	294,480	15.2%
Network access	631,819	569,555	10.9%
Other	126,418	109,665	15.3%
	1,097,360	973,700	12.7%
Operating expenses			
Plant operations	248,419	208,305	19.3%
Customer operations	87,097	81,234	7.2%
Corporate and other	157,276	148,234	6.1%
Depreciation and amortization	264,837	234,496	12.9%
	757,629	672,269	12.7%
Telephone operating income	339,731	301,431	12.7%
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	404,354	385,306	4.9%
Equipment sales	10,649	8,746	21.8%
	415,003	394,052	5.3%
Operating expenses			
Cost of equipment sold	21,190	16,390	29.3%
System operations	55,820	56,994	(2.1%)
General, administrative and customer service	78,465	79,113	(0.8%)
Sales and marketing	61,350	56,258	9.1%
Depreciation and amortization	67,088	58,468	14.7%
	283,913	267,223	6.2%
Wireless operating income	131,090	126,829	3.4%
OTHER OPERATIONS			
Operating revenues	111,807	77,648	44.0%
Operating expenses			
Cost of sales and other	84,029	57,353	46.5%
Depreciation and amortization	3,247	3,316	(2.1%)
	87,276	60,669	43.9%
Other operating income	24,531	16,979	44.5%

TOTAL OPERATING INCOME	495,352	445,239	11.3%
OTHER INCOME (EXPENSE)			
Interest expense	(137,014)	(144,099)	(4.9%)
Income from unconsolidated cellular entities	34,535	32,869	5.1%
Minority interest	(12,283)	(12,797)	(4.0%)
Other income and expense	8,382	3,813	119.8%
Income tax expense	(151,046)	(131,166)	15.2%
NET INCOME	\$ 237,926	193,859	22.7%
=====			
EARNINGS PER SHARE (1)			
Basic	\$ 1.71	1.41	21.3%
Diluted	\$ 1.68	1.39	20.9%
SHARES OUTSTANDING (1)			
Basic	138,848	137,010	1.3%
Diluted	141,432	140,105	0.9%
DIVIDENDS PER COMMON SHARE (1)	\$ 0.1800	0.1732	3.9%

(1) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1999 AND 1998
(UNAUDITED)

	1999	1998

	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 56,640	5,742
Other current assets	240,061	220,496
Total current assets	296,701	226,238

PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,445,932	3,660,252
Wireless	472,725	436,897
Other	275,250	192,509
Accumulated depreciation	(1,937,449)	(1,938,205)
Net property, plant and equipment	2,256,458	2,351,453

INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,625,023	1,956,701
Other	509,422	401,063
Total investments and other assets	2,134,445	2,357,764

TOTAL ASSETS	\$ 4,687,604	4,935,455
=====		
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 68,535	53,010
Other current liabilities	237,846	251,834
Total current liabilities	306,381	304,844

LONG-TERM DEBT	2,071,874	2,558,000
DEFERRED CREDITS AND OTHER LIABILITIES	461,357	541,129
STOCKHOLDERS' EQUITY	1,847,992	1,531,482

TOTAL LIABILITIES AND EQUITY	\$ 4,687,604	4,935,455
=====		

CAPITAL EXPENDITURES
TWELVE MONTHS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998	INC (DEC)
<hr/>			
	(in thousands)		
Telephone	\$ 233,512	233,190	0.1%
Wireless	58,760	57,326	2.5%
Corporate and other	97,708	29,087	235.9%
<hr/>			
Total capital expenditures	\$ 389,980	319,603	22.0%
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CAPITAL EXPENDITURES
THREE MONTHS ENDED DECEMBER 31, 1999 AND 1998

	1999	1998	INC (DEC)
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	(in thousands)		
Telephone	\$ 88,334	91,227	(3.2%)
Wireless	14,498	7,429	95.2%
Corporate and other	50,150	11,918	320.8%
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Total capital expenditures	\$ 152,982	110,574	38.4%
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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

End of Filing

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