

CENTURYTEL INC

FORM 8-K

(Unscheduled Material Events)

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Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
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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, 1999

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 October 26, 1999:

FOR IMMEDIATE RELEASE
October 26, 1999

FOR MORE INFORMATION CONTACT:
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CenturyTel Posts 17 Percent Rise in Third Quarter Net Income

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

- o Revenues climbed 4.3% to \$419.2 million (14.4% excluding the effect of divestitures).
- o Net income jumped 16.7% to \$63.8 million (20.6% excluding the effect of divestitures).
- o Diluted earnings per share rose 15.4% to \$.45 (18.4% excluding the effect of divestitures).
- o Earnings before interest, taxes, depreciation, amortization and gain on sales of assets, advanced 2.9% to \$222.8 million (12.2% excluding the effect of divestitures).

Third Quarter Highlights

(In thousands, except per share amounts)

	Quarter Ended 9/30/99	Quarter Ended 9/30/98	%Change
Revenues	\$ 419,205	\$ 401,949	4.3%
EBITDA (1)	\$ 222,808	\$ 216,496	2.9%

Net Income (2)	\$ 63,788	\$ 54,678	16.7%
Diluted Earnings Per Share (2)(3)	\$.45	\$.39	15.4%
Average Diluted Shares Outstanding (3)	141,504	140,322	.8%
Telephone Revenues	\$ 277,352	\$ 275,397	.7%
Wireless Revenues	\$ 111,652	\$ 106,664	4.7%
Other Operations Revenues	\$ 30,201	\$ 19,888	51.9%
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Telephone Access Lines	1,263,036	1,251,735	.9%
Wireless Units in Majority-Owned Markets	650,899	591,645	10.0%
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(1) Earnings before interest, taxes, depreciation, amortization and gain on sales of assets

(2) Excludes after-tax gain on asset sales of \$741,000, or \$.005 per share, in third quarter 1999

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

"CenturyTel's strong financial performance continued in the third quarter," Glen F. Post, III, President and Chief Executive Officer, said. "The second quarter sale of certain non-strategic assets including telephone operations in Alaska and cellular properties in South Texas adversely affected prior period comparisons. Revenue growth in our core operations was 14.4% excluding these divestitures. In recent months, CenturyTel has announced the pending acquisition of nearly half a million telephone access lines which, along with CenturyTel's other growth initiatives, will more than offset the effect of these divestitures."

Net income for the quarter, excluding gain on sales of assets, climbed 16.7% to \$63.8 million from \$54.7 million in third quarter 1998. Diluted earnings per share increased 15.4% to \$.45 from \$.39. Consolidated revenues rose 4.3% to \$419.2 million from \$401.9 million. Earnings before interest, taxes, depreciation, amortization and gain on sales of assets (EBITDA) grew to \$222.8 million from \$216.5 million, a 2.9% increase.

Third Quarter Highlights, excluding the effect of asset divestitures

(In thousands, except per share amounts)

	Quarter Ended 9/30/99	Quarter Ended 9/30/98	% Change
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Revenues	\$ 419,205	\$ 366,524	14.4%
EBITDA (1)	\$ 222,808	\$ 198,496	12.2%
Net Income (2)	\$ 63,788	\$ 52,875	20.6%
Diluted Earnings Per Share (2)(3)	\$.45	\$.38	18.4%
Average Diluted Shares Outstanding (3)	141,504	140,322	.8%
Telephone Revenues	\$ 277,352	\$ 243,664	13.8%
Wireless Revenues	\$ 111,652	\$ 102,972	8.4%
Other Operations Revenues	\$ 30,201	\$ 19,888	51.9%
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Telephone Access Lines	1,263,036	1,121,683	12.6%
Wireless Units in Majority-Owned Markets	650,899	582,069	11.8%
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(1) Earnings before interest, taxes, depreciation, amortization and gain on sales of assets

(2) Excludes after-tax gain on asset sales of \$741,000, or \$.005 per share, in third quarter 1999

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

Net income for the quarter, excluding the effect of asset divestitures and gain on sales of assets, climbed 20.6% to \$63.8 million from \$52.9 million in third quarter 1998. Diluted earnings per share, excluding the effect of asset divestitures and gains, increased 18.4% to \$.45 from \$.38. Consolidated revenues excluding divestitures rose 14.4% to \$419.2 million from \$366.5 million. Excluding divestitures, EBITDA grew to \$222.8 million from \$198.5 million, a 12.2% increase. CenturyTel achieved a consolidated EBITDA margin of 53.2% during the quarter.

"We achieved strong internal revenue growth in our core operations this quarter," Post said. "CenturyTel's telephone operations produced internal revenue growth of nearly 9% while other operations, driven primarily by long distance, posted internal revenue growth of approximately 52%. Wireless customer growth exceeded prior year levels, and our long distance customer base grew 10% during the quarter as CenturyTel added 25,600 long distance customers."

Telephone revenues, excluding the effect of asset divestitures, grew 13.8% to \$277.4 million during the quarter, compared with \$243.7 million in third quarter 1998. A prior-year acquisition contributed \$11.6 million to telephone revenues during the quarter. Telephone operating income excluding divestitures increased 3.2%, reaching \$81.9 million from \$79.3 million, and EBITDA excluding divestitures rose 7.9% to \$148.2 million from \$137.4 million a year ago. CenturyTel's third quarter telephone EBITDA margin was 53.5% while the operating income margin was 29.5%. An increase in Y2K expenses of \$3.3 million negatively affected margins for the quarter. Internal access line growth was a strong 5.3% in the quarter.

"CenturyTel's Internet revenues increased by 55% from third quarter last year," Post said. "During the quarter we deployed the new G-lite DSL standard, and CenturyTel is on track to address 10% of our customer base with this high-speed data service before year end."

Wireless revenues, excluding the effect of asset divestitures, grew 8.4% to \$111.7 million in third quarter 1999, compared with \$103.0 million in third quarter 1998. Wireless operating income excluding divestitures advanced 13.8%, reaching \$40.7 million from \$35.8 million, and EBITDA excluding divestitures climbed 14.9% to \$57.9 million from \$50.4 million a year ago. CenturyTel's third quarter wireless EBITDA margin was 51.8% (52.9% based on service revenues), and operating income margin was 36.5% (37.2% based on service revenues). Average monthly cellular service revenue per user (ARPU) was \$56.57 during third quarter 1999, a 4.7% decrease from \$59.39 a year ago. The average monthly churn rate was 1.9%.

"CenturyTel's average monthly churn declined nearly half a percentage point to 1.9% during the quarter as compared with prior year levels," Post said.

Revenues from other operations, excluding asset divestitures, grew 51.9% to \$30.2 million during third quarter 1999, compared with \$19.9 million in third quarter 1998. CenturyTel's long distance business generated \$9.3 million of the increase in other operations revenues. CenturyTel now serves more than 285,500 long distance customers, adding more than 25,600 during the quarter.

During the first nine months of 1999, net income excluding gain on sales of assets climbed 22.8% to \$179.4 million from \$146.0 million in 1998. Diluted earnings per share increased 21.0% to \$1.27 from \$1.05, and consolidated revenues rose 7.6% to \$1.3 billion from \$1.2 billion. EBITDA grew to \$674.6 million from \$619.4 million, an 8.9% 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 the timely consummation of pending acquisitions, and 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, 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 8th 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).

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
(UNAUDITED)

	1999	1998	INCREASE (DECREASE)

	In thousands, except per share amounts		

TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 86,010	84,082	2.3%
Network access	159,682	159,422	0.2%
Other	31,660	31,893	(0.7%)

	277,352	275,397	0.7%

Operating expenses			
Plant operations	66,446	62,402	6.5%
Customer operations	22,073	22,107	(0.2%)
Corporate and other	40,584	37,436	8.4%

Depreciation and amortization	66,397	65,242	1.8%
	195,500	187,187	4.4%
Telephone operating income	81,852	88,210	(7.2%)
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	109,318	104,529	4.6%
Equipment sales	2,334	2,135	9.3%
	111,652	106,664	4.7%
Operating expenses			
Cost of equipment sold	4,200	3,784	11.0%
System operations	13,864	15,359	(9.7%)
General, administrative and customer service	22,128	22,115	0.1%
Sales and marketing	13,588	13,585	-
Depreciation and amortization	17,167	15,558	10.3%
	70,947	70,401	0.8%
Wireless operating income	40,705	36,263	12.2%
OTHER OPERATIONS			
Operating revenues	30,201	19,888	51.9%
Operating expenses			
Cost of sales and other	21,963	15,367	42.9%
Depreciation and amortization	736	810	(9.1%)
	22,699	16,177	40.3%
Other operating income	7,502	3,711	102.2%
TOTAL OPERATING INCOME	130,059	128,184	1.5%
OTHER INCOME (EXPENSE)			
Interest expense	(34,997)	(41,904)	(16.5%)
Income from unconsolidated cellular entities	10,801	9,162	17.9%
Minority interest	(3,460)	(3,619)	(4.4%)
Gain on sales of assets	1,201	-	-
Other income and expense	1,108	1,159	(4.4%)
Income tax expense	(40,183)	(38,304)	4.9%
NET INCOME	\$ 64,529	54,678	18.0%
EARNINGS PER SHARE (1)			
Basic	\$ 0.46	0.40	15.0%
Diluted (2)	\$ 0.46	0.39	17.9%
SHARES OUTSTANDING (1)			
Basic	139,085	137,207	1.4%
Diluted	141,504	140,322	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 sales, diluted earnings per share were \$.45 for 1999

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998
(UNAUDITED)

	1999	1998	INCREASE (DECREASE)
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In thousands, except per share amounts

TELEPHONE OPERATIONS

Operating revenues			
Local service	\$ 266,119	243,664	9.2%
Network access	482,626	462,576	4.3%
Other	100,681	94,292	6.8%
	849,426	800,532	6.1%

Operating expenses			
Plant operations	196,960	176,609	11.5%
Customer operations	67,968	67,956	-
Corporate and other	116,419	116,444	-
Depreciation and amortization	207,163	194,516	6.5%
	588,510	555,525	5.9%
Telephone operating income	260,916	245,007	6.5%

WIRELESS OPERATIONS

Operating revenues			
Service revenues	312,873	299,396	4.5%
Equipment sales	7,372	6,308	16.9%
	320,245	305,704	4.8%

Operating expenses			
Cost of equipment sold	13,848	11,211	23.5%
System operations	42,394	44,285	(4.3%)
General, administrative and customer service	60,113	60,785	(1.1%)
Sales and marketing	41,130	41,018	0.3%
Depreciation and amortization	50,963	45,274	12.6%
	208,448	202,573	2.9%
Wireless operating income	111,797	103,131	8.4%

OTHER OPERATIONS

Operating revenues	80,540	55,811	44.3%
Operating expenses			
Cost of sales and other	59,779	41,647	43.5%
Depreciation and amortization	2,167	2,498	(13.3%)
	61,946	44,145	40.3%
Other operating income	18,594	11,666	59.4%
TOTAL OPERATING INCOME	391,307	359,804	8.8%

OTHER INCOME (EXPENSE)

Interest expense	(114,725)	(126,785)	(9.5%)
Income from unconsolidated cellular entities	26,913	25,105	7.2%
Minority interest	(25,560)	(10,264)	149.0%
Gain on sales of assets	51,160	49,859	2.6%
Other income and expense	6,722	2,454	173.9%
Income tax expense	(156,721)	(123,610)	26.8%
NET INCOME	\$ 179,096	176,563	1.4%

EARNINGS PER SHARE (1)

Basic (2)	\$ 1.29	1.29	-
Diluted (3)	\$ 1.27	1.26	0.8%

SHARES OUTSTANDING (1)

Basic	138,668	136,857	1.3%
Diluted	141,331	139,908	1.0%

DIVIDENDS PER COMMON SHARE (1)	\$ 0.1350	0.1299	3.9%
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- (1) Reflects a three-for-two stock split effected as a stock dividend distributed March 31, 1999
(2) Excluding the effect of asset sales, basic earnings per share were \$1.29 and \$1.06 for 1999 and 1998, respectively
(3) Excluding the effect of asset sales, diluted earnings per share were \$1.27 and \$1.05 for 1999 and 1998, respectively

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 1999 AND DECEMBER 31, 1998
(UNAUDITED)

	September 30, 1999	December 31, 1998

	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 37,233	5,742
Other current assets	248,079	220,496

Total current assets	285,312	226,238

PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,366,882	3,660,252
Wireless	458,197	436,897
Other	238,418	192,509
Accumulated depreciation	(1,868,553)	(1,938,205)

Net property, plant and equipment	2,194,944	2,351,453

INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,629,636	1,956,701
Other	431,264	401,063

Total investments and other assets	2,060,900	2,357,764

TOTAL ASSETS	\$ 4,541,156	4,935,455
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LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 53,306	53,010
Other current liabilities	263,134	251,834

Total current liabilities	316,440	304,844

LONG-TERM DEBT	2,042,235	2,558,000
DEFERRED CREDITS AND OTHER LIABILITIES	468,241	541,129
STOCKHOLDERS' EQUITY	1,714,240	1,531,482

TOTAL LIABILITIES AND EQUITY	\$ 4,541,156	4,935,455

CAPITAL EXPENDITURES
NINE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

	1999	1998	INC (DEC)
Telephone	\$ 145,178	141,963	2.3%
Wireless	44,262	42,836	3.3%
Corporate and other	47,558	24,230	96.3%
Total capital expenditures	\$ 236,998	209,029	13.4%
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CAPITAL EXPENDITURES
THREE MONTHS ENDED SEPTEMBER 30, 1999 AND 1998

1999	1998	INC (DEC)
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Telephone	\$	58,554	63,908	(8.4%)
Wireless		11,071	8,536	29.7%
Corporate and other		18,245	10,165	79.5%

Total capital expenditures	\$	87,870	82,609	6.4%
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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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