

# CENTURYTEL INC

## FORM S-4

(Securities Registration: Business Combination)

Filed 10/10/2002

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

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-4**

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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**CenturyTel, Inc.**

(Exact name of registrant as specified in its charter)

**Louisiana**

(State or other jurisdiction of incorporation or organization)

**72-0651161**

(I.R.S. Employer Identification No.)

100 CenturyTel Drive  
Monroe, Louisiana 71203  
(318) 388-9000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Harvey P. Perry  
Executive Vice President, Chief Administrative Officer  
and General Counsel

CenturyTel, Inc.  
100 CenturyTel Drive  
Monroe, Louisiana 71203  
(318) 388-9000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copy to:*

Kenneth J. Najder  
Jones, Walker, Waechter, Poitevent, Carrère & Denégre, L.L.P.  
201 St. Charles Avenue, 51st Floor  
New Orleans, Louisiana 70170-5100  
(504) 582-8000

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**APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:**

As soon as practicable after the effective date of this registration statement.

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If the only securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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**CALCULATION OF REGISTRATION FEE**

<u>Title of each class of securities to be registered</u>	<u>Amount to be registered</u>	<u>Proposed maximum offering price per note</u>	<u>Proposed maximum aggregate</u>	<u>Amount of registration fee</u> <sup>(1)</sup>
			<u>Offering price</u> <sup>(1)</sup>	
7.875% Senior Notes, Series L, due 2012	\$500,000,000	100%	\$500,000,000	\$46,000

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(1) Determined solely for the purpose of calculating the registration fee in accordance with Rule 457(f) of the Securities Act of 1933.

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The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell the securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

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**Subject to Completion, Dated October 10, 2002**

## PROSPECTUS

[CenturyTel, Inc.'s Logo  
Here]

**Offer to Exchange**  
**\$500,000,000 Registered 7.875% Senior Notes, Series L, due 2012**  
**for**  
**All Outstanding Unregistered 7.875% Senior Notes, Series L, due 2012**

We are offering to exchange 7.875% senior notes, Series L, due 2012 that we have registered under the Securities Act of 1933 for all of our outstanding 7.875% senior notes, Series L, due 2012. In this prospectus, we refer to our registered notes as the exchange notes and our outstanding senior notes as the outstanding notes. We refer to the exchange notes and the outstanding notes collectively as the notes, all of which are described further herein.

- We hereby offer to exchange all outstanding notes that are validly tendered and not withdrawn for an equal principal amount of exchange notes which are registered under the Securities Act of 1933.
- The exchange offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2002, unless extended.
- You may withdraw tenders of your outstanding notes at any time before the exchange offer expires.
- We will issue the exchange notes promptly after the exchange offer expires.
- We believe that the exchange of outstanding notes for exchange notes will not be a taxable event for federal income tax purposes, but you should read "Certain U.S. Federal Income Tax Consequences" beginning on page 35 for more information.
- We will not receive any proceeds from the exchange offer.

- No public market currently exists for the exchange notes. We do not intend to apply for listing of the exchange notes on any securities exchange or to arrange for them to be quoted on any quotation system.

**Owning the exchange notes involves risks that we describe in the "Risk Factors" section beginning on page 13.**

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Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal described below states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act of 1933. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 180 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

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**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the exchange notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

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The date of this prospectus is \_\_\_\_\_, 2002

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NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CENTURYTEL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CENTURYTEL SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR ANY SECURITIES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. YOU SHOULD ASSUME THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE ON THE FRONT COVER OF THOSE DOCUMENTS.

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## FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus that are not historical facts are intended to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond our control. Our actual 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:

- our ability to effectively manage our growth, including integrating newly acquired properties into our operations, hiring adequate numbers of qualified staff and successfully upgrading our billing and other information systems
- the risks inherent in rapid technological change
- the effects of ongoing changes in the regulation of the communications industry, including the final outcome of pending regulatory and judicial proceedings affecting communication companies generally
- the effects of greater than anticipated competition in our markets
- possible changes in the demand for, or pricing of, our products and services, including lower than anticipated demand for our newly offered products and services
- our ability to successfully introduce new product or service offerings on a timely and cost-effective basis
- the direct and indirect effects on our business resulting from the financial difficulties of other communications companies, including the effect on our ability to collect receivables from financially troubled carriers and our ability to access the capital markets on favorable terms, and
- the effects of more general factors, such as changes in interest rates, in the capital markets, in general market or economic conditions or in legislation, regulation or public policy.

These factors, and others, are described in greater detail in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2001, which is incorporated by reference in this prospectus. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of the document in which they appear. Except for our obligations to disclose material information under the federal securities laws, we undertake no obligation to update any of our forward-looking statements for any reason.

## **WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy that information at the public reference room of the SEC at 450 Fifth Street, NW, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for more information about the public reference room. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding registrants, like us, that file reports with the SEC electronically. The SEC's Internet address is <http://www.sec.gov>. You may also obtain certain information about us at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

We have filed a registration statement on Form S-4 and related exhibits with the SEC under the Securities Act. The registration statement may contain additional information that may be important to you. You may obtain a copy of the registration statement and exhibits from the SEC as indicated above.

In this document, we "incorporate by reference" certain information that we file with the SEC, which means that we can disclose important information to you by referring to that information. You will be deemed to have notice of all information incorporated by reference in this prospectus as if that information was included in this prospectus. You should therefore read the information incorporated by reference in this prospectus with the same care you use when reading this prospectus. Certain information that we file later with the SEC will automatically update and supersede information incorporated by reference in this prospectus and information contained in this prospectus.

We incorporate by reference the following documents that we have filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

- Annual Report on Form 10-K for the year ended December 31, 2001.
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002.
- Current Reports on Form 8-K filed on January 31, 2002, February 1, 2002, March 22, 2002, April 25, 2002, April 29, 2002, May 3, 2002, June 28, 2002, July 15, 2002, July 19, 2002, July 26, 2002, August 13, 2002 (two reports), August 14, 2002, August 22, 2002 and October 8, 2002.

- All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of this offering.

At your request, we will provide you with a free copy of any of these filings (except for exhibits, unless the exhibits are specifically incorporated by reference into the filing). You may request copies by writing us at 100 CenturyTel Drive, Monroe, Louisiana 71203, Attention: Harvey P. Perry, or by telephoning us at (318) 388-9000. In addition, so long as any notes remain outstanding as "restricted securities" within the meaning of Rule 144 under the Securities Act, we will make available to any holder of notes, upon request, at the same address and phone number, information as is necessary to permit sales pursuant to Rule 144 and Rule 144A under the Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act.

## PROSPECTUS SUMMARY

*This summary highlights selected information from this prospectus and is not intended to contain all of the information that may be important to you. You should read the entire prospectus and the documents to which we have referred you. As used in this prospectus, the terms "CenturyTel," "we," "our" and "us" refer to CenturyTel, Inc., and not any of its subsidiaries (unless the context requires and except under the heading "CenturyTel" immediately below, where such terms refer to the consolidated operations of CenturyTel, Inc. and its subsidiaries).*

### CenturyTel

We are a regional integrated communications company. We are primarily engaged in providing local telephone communications services in 22 states. We also provide long distance, Internet, competitive local exchange, broadband data, security monitoring, and other communications and business information services. As described further below, we recently sold our wireless communications business. For the year ended December 31, 2001, local telephone services provided 90% of our consolidated revenues from continuing operations.

Our principal offices are located at 100 CenturyTel Drive, Monroe, Louisiana 71203, telephone number: (318) 388-9000.

### Operations

**Telephone operations.** Based on published sources, we believe that we are currently the eighth largest local exchange telephone company in the United States, measured by the number of telephone access lines served. At August 31, 2002, our telephone subsidiaries served approximately 2.4 million access lines in 22 states, primarily in rural, suburban and small urban communities. All of our access lines are served by digital switching technology, which in conjunction with other technologies allows us to offer additional premium services to our customers, including call forwarding, conference calling, caller identification, selective call ringing and call waiting.

The following table sets forth information with respect to our access lines as of August 31, 2002:

<u>State</u>	<u>Number of Access Lines</u>	<u>Percent of Access Lines</u>
Wisconsin	495,690(1)	20.3%
Missouri	484,998(2)	19.9%
Alabama	295,662	12.1%
Arkansas	270,703	11.1%
Washington	189,465	7.8%
Michigan	116,045	4.7%
Louisiana	104,562	4.3%
Colorado	97,282	4.0%
Ohio	84,455	3.5%
Oregon	77,464	3.2%
Montana	66,272	2.7%
Texas	49,474	2.0%
Minnesota	31,179	1.3%
Tennessee	27,574	1.1%
Mississippi	24,105	1.0%
New Mexico	6,550	—(3)
Idaho	6,074	—(3)
Wyoming	5,526	—(3)
Indiana	5,480	—(3)
Iowa	2,082	—(3)
Arizona	1,980	—(3)
Nevada	506	—(3)
	<u>2,443,128</u>	<u>100%</u>

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- (1) Approximately 62,020 of these lines are owned and operated by CenturyTel's 89%-owned affiliate.
  - (2) Approximately 130,995 of these lines are owned and operated by CenturyTel's 75.7%-owned affiliate.
  - (3) Represents less than 1%.
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Our telephone subsidiaries are installing fiber optic cable in certain of our high traffic markets and have provided alternative routing of telephone service over fiber optic cable networks in several strategic operating areas. At August 31, 2002, our telephone subsidiaries had approximately 13,800 miles of fiber optic cable in use.

**Other operations.** We also provide long distance, Internet, competitive local exchange, broadband data, and security monitoring in certain local and regional markets, as well as certain printing and related business information services. At August 31, 2002, our long distance business served approximately 572,100 customers in certain of our markets, and we provided Internet access services to a total of approximately 167,200 customers, 128,900 of which received traditional dial-up Internet service and 38,300 of which received retail DSL services.

In late 2000, we began offering competitive local exchange telephone services, coupled with long distance, Internet access and other services, to small to medium-sized businesses in Monroe and Shreveport, Louisiana, and in late 2001, we began offering similar services in Grand Rapids and Lansing, Michigan.

## Acquisitions and Dispositions

**Wireline acquisitions.** On July 1, 2002, we completed the purchase of assets comprising all of the local exchange telephone operations of Verizon Communications, Inc. ("Verizon") in the state of Alabama for approximately \$1.020 billion in cash. The assets purchased include (i) all telephone access lines (which numbered nearly 300,000 at the time of purchase) and related property and equipment comprising Verizon's local exchange operations in 90 exchanges in predominantly rural markets throughout Alabama, (ii) Verizon's assets used to provide DSL and other high speed data services within the purchased exchanges and (iii) approximately 1,400 route miles of fiber optic cable within the purchased exchanges. The acquired assets do not include Verizon's wireless, long distance, dial-up Internet, or directory publishing operations, or rights under various Verizon contracts, including those relating to customer premise equipment. We did not assume any liabilities of Verizon other than (i) those associated with contracts, facilities and certain other assets transferred in connection with the purchase and (ii) certain employee-related liabilities, including liabilities for postretirement health benefits.

On August 31, 2002, we completed the purchase of assets comprising all of Verizon's local exchange telephone operations in the state of Missouri for approximately \$1.177 billion in cash. The assets purchased include (i) all telephone access lines (which numbered approximately 354,000 at the time of purchase) and related property and equipment comprising Verizon's local exchange operations in 98 exchanges in predominantly rural and suburban markets throughout Missouri, several of which are adjacent to properties that we have owned and operated since 2000, (ii) Verizon's assets used to provide DSL and other high speed data services within the purchased exchanges in Missouri and (iii) an aggregate of approximately 1,400 route miles of fiber optic cable within the purchased exchanges in Missouri. Our agreement with Verizon relating to assets retained by Verizon and liabilities assumed by us in the transaction are the same as those described above for the Alabama purchase.

**Wireless operations divestiture.** On August 1, 2002, we completed the sale of substantially all of our wireless operations to an affiliate of ALLTEL Corporation ("Alltel"). We agreed on March 19, 2002 to sell our wireless operations to Alltel for \$1.65 billion in cash. Due to a cross-ownership restriction that precluded the sale of one minority-owned market, we received approximately \$1.593 billion in connection with the transaction (which we expect to be \$1.268 billion after tax). Alltel has agreed to purchase this minority interest from us for approximately \$68 million, if, among other things, the FCC waives the cross-ownership restriction prior to February 1, 2003. No assurance can be given that this sale will occur.

In connection with this transaction, we divested our (i) interests in our majority-owned and operated cellular systems, which at June 30, 2002 served approximately 783,000 customers and had access to approximately 7.8 million pops, (ii) minority cellular equity interests representing approximately 1.8 million pops at June 30, 2002, and (iii) licenses to provide Personal Communications Services covering approximately 1.3 million pops in Wisconsin and Iowa.

**Future acquisitions.** We continually evaluate the possibility of acquiring additional communications assets in exchange for cash, securities or both, and at any given time may be engaged in discussions or negotiations regarding additional acquisitions. We generally do not announce our acquisitions until we have entered into a preliminary or definitive agreement. Over the past few years, the number and size of communications properties on the market has increased substantially. Although our primary focus will continue to be on acquiring interests near our properties or that serve a customer base large enough for us to operate efficiently, we may also acquire other communications interests and these acquisitions could have a material impact upon CenturyTel.

Funding Commitments

On October 15, 2002, we are committed to redeem \$400 million principal amount of our remarketable debt securities at par value, plus an associated premium payment of approximately \$71.1 million and accrued interest. We are also committed in December 2002 to pay taxes estimated at \$325 million resulting from the sale of our wireless operations. We plan to fund these redemption and tax payments by using cash on hand and borrowings under our \$800 million of existing credit facilities.

When used in this prospectus, (1) the term "FCC" means the Federal Communications Commission, (2) the term "DSL" means digital subscriber lines, through which we provide high-speed Internet service, and (3) the term "pops," whenever used with respect to wireless operations, means the population of licensed markets (based on independent third-party population estimates) multiplied by our proportionate equity interests in the licensed operators of those markets.

The Exchange Offer

Securities Offered .....	We are offering to exchange the outstanding notes for the exchange notes in the aggregate principal amount of up to \$500,000,000. The exchange notes will evidence the same debt as the outstanding notes and will be entitled to the benefits of the same indenture as the outstanding notes. The terms of the exchange notes and outstanding notes are identical in all material respects, except principally for certain provisions relating to additional interest and transfer restrictions.
The Exchange Offer .....	The exchange notes are being offered in exchange for a like principal amount of outstanding notes. The outstanding notes may be exchanged only in integral multiples of \$1,000. The issuance of the exchange notes is intended to satisfy our obligations contained in a registration rights agreement between us and the initial purchasers of the outstanding notes.
Resale of Exchange Notes .....	<div>Based on interpretive letters of the SEC staff to third parties, we believe that you may resell and transfer the exchange notes issued pursuant to the exchange offer in exchange for outstanding notes without compliance with the registration and prospectus delivery provisions of the Securities Act if, among other things:</div> <div><ul style="list-style-type: none"><li>• you are acquiring the exchange notes in the ordinary course of your business;</li><li>• you have no arrangement or understanding with any person to participate in the distribution of the exchange notes;</li><li>• you are not our affiliate (as defined in Rule 405 promulgated under the Securities Act); and</li><li>• you are not engaged in, and do not intend to engage in, the distribution of the exchange notes.</li></ul></div>



However, the SEC has not confirmed this treatment and we cannot assure you that the staff of the SEC would make a similar determination with respect to the exchange offer.

If you fail to satisfy any of these conditions, you will be subject to the registration and prospectus delivery requirements of the Securities Act in connection with a resale of the exchange notes.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer in exchange for outstanding notes that it acquired as a result of market-making or other trading activities must deliver a prospectus in connection with any resale of the exchange notes and provide us with a signed acknowledgment of these obligations.

Expiration Date ..... The exchange offer expires at 5:00 p.m., New York City time, on \_\_\_\_\_, 2002, or such later date and time to which it is extended by us in our sole discretion (the "expiration date").

Conditions to the Exchange Offer ..... Our obligation to consummate the exchange offer is subject to certain customary conditions. See "The Exchange Offer." We reserve the right to terminate or amend the exchange offer at any time prior to the expiration date upon the occurrence of any such condition.

Withdrawal Right ..... Tenders may be withdrawn at any time prior to the expiration date. Any outstanding notes not accepted for any reason will be returned without expense to the tendering holder as promptly as practicable after the expiration or termination of the exchange offer.

Procedure for Tendering Outstanding Notes..... We issued the outstanding notes as global securities in fully registered form without coupons. Beneficial interests in the outstanding notes which are held by direct or indirect participants in The Depository Trust Company ("DTC") through uncertificated depositary interests are shown on, and transfers of the outstanding notes can be made only through, records maintained in book-entry form by DTC with respect to its participants. If you are a holder of an outstanding note held in the form of a book-entry interest and you wish to tender your outstanding notes for exchange pursuant to the exchange offer, you must transmit to the exchange agent, on or prior to the expiration date:

- a written or facsimile copy of a properly completed and executed letter of transmittal and all other required documents to the address set forth on the cover page of the letter of transmittal; or
- a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and forming a part of a confirmation of book-entry transfer in which you acknowledge and agree to be bound by the terms of the letter of transmittal.

The exchange agent must also receive on or prior to the expiration date:

- a timely confirmation of book-entry transfer of your outstanding notes into the exchange agent's account at DTC, in accordance with the procedure for book-entry transfers described in this prospectus under "The Exchange Offer – Exchange Offer Procedures – Book-Entry Transfer"; or
- the documents necessary for compliance with the guaranteed delivery procedures described in this prospectus under "The Exchange Offer – Exchange Offer Procedures."

Use of Proceeds .....	We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer.
Exchange Agent .....	Regions Bank is serving as the exchange agent in connection with the exchange offer.
United States Federal Income Tax Consequences.....	The exchange of outstanding notes pursuant to the exchange offer should not be a taxable event for United States federal income tax purposes. See "Certain U.S. Federal Income Tax Considerations —The Exchange Offer."
Effect on Holders of Outstanding Notes.....	Upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of this exchange offer, we will have fulfilled a covenant contained in the registration rights agreement between us and the initial purchasers of the outstanding notes and, accordingly, the holders of the outstanding notes will have no further registration or other rights under the registration rights agreement, except under certain limited circumstances. See "The Exchange Offer – Terms of the Exchange." Holders of the outstanding notes who do not tender their outstanding notes in the exchange offer will continue to hold such outstanding notes and will be entitled to all rights and limitations thereto under the indenture. All untendered, and tendered but unaccepted, outstanding notes will continue to be subject to the restrictions on transfer provided for in such outstanding notes and the indenture. To the extent outstanding notes are tendered and accepted in the exchange offer, the trading market, if any, for the outstanding notes could be adversely affected. See "Risk Factors – Risk Factors Relating to the Exchange Offer – Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid."

### **The Exchange Notes**

Issuer .....	CenturyTel, Inc., a Louisiana corporation.
Notes Offered .....	\$500 million aggregate principal amount of 7.875% Senior Notes, Series L, due 2012.

Maturity .....	August 15, 2012.
Ranking .....	The exchange notes will be our senior unsecured obligations. The exchange notes will rank senior to any of our future subordinated debt and equally in right of payment with all of our existing and future unsecured and unsubordinated debt. As of June 30, 2002, we had approximately \$2.7 billion of unsecured and unsubordinated debt that would have ranked equally with the notes. We are a holding company and, therefore, the notes will be effectively subordinated to all existing and future obligations of our subsidiaries. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.
Certain Covenants.....	<p>The indenture governing the notes contains covenants that, among other things, will limit our ability to:</p> <ul style="list-style-type: none"> <li>• incur, issue or create liens upon our property; and</li> <li>• consolidate with or merge into, or transfer or lease all or substantially all of our assets to, any other party.</li> </ul> <p>These covenants are subject to important exceptions and qualifications that are described under "Description of the Notes — Merger and Consolidation" and "— Limitations on Liens."</p>
Interest .....	7.875% per year on the principal amount payable semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2003.
Optional Redemption .....	We may redeem some or all of the notes at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount thereof and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the notes being redeemed discounted to the redemption date at the then current Treasury Rate plus 35 basis points, together with, in either case, any accrued and unpaid interest to the date of redemption as described under "Description of the Notes — Optional Redemption."
Form and Denomination .....	The exchange notes will be issued in denominations of \$1,000 and any integral multiple of \$1,000. The exchange notes will be represented by a single, permanent global note in fully-registered form without interest coupons. The global note will be deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC. Beneficial interests in any of the exchange notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances described in this prospectus.
Trading .....	The exchange notes will not be listed on any securities exchange or included in any automated quotation system. The initial purchasers of the outstanding notes have advised us that they currently intend to make a market in the exchange notes. However, the initial purchasers are not

obligated to do so and may discontinue any market-making activity with respect to the exchange notes at any time without notice.

## Risk Factors

You should carefully consider all of the information contained or incorporated by reference in this prospectus as well as the specific factors under "Risk Factors" beginning on page 13.

### Summary Consolidated Financial Information and Operating Data (Dollars, except per share amounts, in thousands)

The summary consolidated financial information of CenturyTel set forth below has been derived from, and should be read in conjunction with, (i) our audited consolidated financial statements as of December 31, 2000 and 2001 and for each of the years in the three-year period ended December 31, 2001 incorporated by reference in this prospectus from our current report on Form 8-K dated March 19, 2002 and filed with the SEC on August 13, 2002, and (ii) our unaudited financial information as of and for the six months ended June 30, 2001 and 2002 incorporated by reference in this prospectus from our quarterly report on Form 10-Q for the quarter ended June 30, 2002. Our operating results for the six months ended June 30, 2001 and 2002 are not necessarily indicative of the results to be expected for any future periods.

	Year Ended December 31,			Six Months Ended June 30,	
	1999	2000	2001	2001	2002
	(unaudited)				
<b>Income Statement Data:</b>					
Operating revenues:					
Telephone	\$ 1,126,112	\$ 1,253,969	\$ 1,505,733	\$ 739,133	\$ 753,230
Other	<u>128,288</u>	<u>148,388</u>	<u>173,771</u>	<u>81,719</u>	<u>108,390</u>
Total operating revenues	<u>1,254,400</u>	<u>1,402,357</u>	<u>1,679,504</u>	<u>820,852</u>	<u>861,620</u>
Operating expenses:					
Cost of sales and operating expenses	600,038	671,992	826,948	407,968	436,877
Corporate overhead costs allocable to discontinued operations	19,416	21,411	20,213	9,958	9,932
Depreciation and amortization	<u>280,223</u>	<u>322,817</u>	<u>407,038</u>	<u>199,408</u>	<u>186,231</u>
Total operating expenses	<u>899,677</u>	<u>1,016,220</u>	<u>1,254,199</u>	<u>617,334</u>	<u>633,040</u>
Operating income	<u>354,723</u>	<u>386,137</u>	<u>425,305</u>	<u>203,518</u>	<u>228,580</u>
Interest expense	(150,557)	(183,302)	(225,523)	(119,061)	(104,805)
Income from continuing operations, net of tax	135,520	124,229	144,146	47,919	83,065
Discontinued operations, net of tax	104,249	107,245	198,885	153,044	66,465
Net income	239,769	231,474	343,031	200,963	149,530
Add: After-tax effect of goodwill amortization(1)	41,814	46,555	56,266	28,218	—
Net income, as adjusted	281,583	278,029	399,297	229,181	149,530
Basic earnings per share:					
From continuing operations	\$ 0.97	\$ 0.88	\$ 1.02	\$ 0.34	\$ 0.59
From continuing operations, as adjusted(1)	1.20	1.15	1.35	0.51	0.59
From discontinued operations	0.75	0.77	1.41	1.09	0.47
From discontinued operations, as adjusted(1)	0.83	0.84	1.48	1.12	0.47
Basic earnings per share	1.72	1.65	2.43	1.43	1.06
Basic earnings per share, as					

adjusted(1)	2.03	1.98	2.83	1.63	1.06
Diluted earnings per share:					
From continuing operations	\$ 0.96	\$ 0.88	\$ 1.01	\$ 0.34	\$ 0.58
From continuing operations, as adjusted(1)	1.18	1.13	1.34	0.50	0.58
From discontinued operations	0.74	0.76	1.40	1.08	0.47
From discontinued operations, as adjusted(1)	0.81	0.83	1.47	1.11	0.47
Diluted earnings per share	1.70	1.63	2.41	1.41	1.05
Diluted earnings per share, as adjusted(1)	1.99	1.96	2.81	1.61	1.05
<b>Other Financial Data: (2)</b>					
Ratio of earnings from continuing operations to fixed charges and preferred stock dividends	2.45	2.07	2.00	1.61	2.19
Ratio of earnings from continuing operations, excluding nonrecurring items, to fixed charges and preferred stock dividends	2.39	2.12	1.89	1.72	2.33

	As of December 31,		As of June 30,
	2000	2001	2002
<b>Balance Sheet Data:</b>			(unaudited)
Cash and cash equivalents	\$ 11,407	\$ 3,496	\$ 302,070
Net property, plant and equipment	2,698,010	2,736,142	2,725,096
Assets held for sale	902,133	845,428	861,526
Total assets	6,393,290	6,318,684	6,637,308
Total debt (including short-term debt and current maturities of long-term debt)	3,472,954	3,096,334	3,182,585
Liabilities related to assets held for sale	152,332	148,870	171,680
Stockholders' equity	2,032,079	2,337,380	2,458,089

	As of December 31,			As of June 30,
	1999	2000	2001	2002
<b>Operating Data (unaudited):</b>				
Local exchange access lines in service	1,272,867	1,800,565(3)	1,797,643	1,795,180
Long distance customers	303,722	363,307	465,872	536,394

(1) This adjustment reflects the after-tax effect of eliminating goodwill amortization in accordance with Statement of Financial Accounting Standard No. 142 ("SFAS 142"), which provides that, effective January 1, 2002, goodwill is no longer subject to amortization.

(2) Calculated in the manner described in this prospectus under "Earnings Ratios."

(3) Reflects our purchase of over 490,000 telephone access lines during 2000.

**Summary Pro Forma Financial Data**  
(Dollars, except per share amounts, in thousands)

The following tables set forth summary unaudited consolidated condensed pro forma financial information for the year ended December 31, 2001 and as of and for the six months ended June 30, 2002 that gives effect to our recently completed Verizon acquisitions and wireless operations divestiture. See "Prospectus Summary — CenturyTel — Acquisitions and Dispositions." This summary pro forma information has been derived from, and should be read in conjunction with, the unaudited pro forma consolidated condensed financial information, and the notes thereto, incorporated by reference in this prospectus from our current report on Form 8-K dated August 31, 2002 and filed with the SEC on October 8, 2002. Our wireless operations have been presented below as discontinued operations.

We have prepared the pro forma financial information related to the Verizon acquisitions and the wireless divestiture based on various assumptions described in our current report on Form 8-K, including the assumption that each purchase and the divestiture occurred on January 1, 2001, for purposes of the income statement data, and June 30, 2002, for purposes of the balance sheet data. As explained further in our current report on Form 8-K, the pro forma information does not give effect to any potential revenue enhancements, cost reductions or other operating efficiencies that could result from the Verizon acquisitions.

We have presented this summary pro forma information for illustrative purposes only. This information may not be indicative of the operating results or financial position that would have occurred if such pending transactions actually occurred on the dates indicated above and in accordance with the other assumptions described in our current report on Form 8-K, nor is it necessarily indicative of our future operating results or financial position. See "Risk Factors."

Year Ended December 31, 2001				
	As Reported		Pro Forma (unaudited)	
	CenturyTel	Verizon Acquisitions(1)	Pro Forma Adjustments(2)	Pro Forma Consolidated
<b>Income Statement Data:</b>				
Operating revenues:				
Telephone	\$ 1,505,733	\$ 552,127	\$ —	\$ 2,057,860
Other	<u>173,771</u>	<u>—</u>	<u>—</u>	<u>173,771</u>
Total operating revenues	<u>1,679,504</u>	<u>552,127</u>	<u>—</u>	<u>2,231,631</u>
Operating expenses:				
Cost of sales and operating expenses	826,948	233,108	14,900	1,074,956
Corporate overhead costs allocable to discontinued operations	20,213	<u>—</u>	<u>—</u>	20,213
Depreciation and amortization	<u>407,038</u>	<u>81,498</u>	<u>—</u>	<u>488,536</u>
Total operating expenses	<u>1,254,199</u>	<u>314,606</u>	<u>14,900</u>	<u>1,583,705</u>
Operating income	<u>425,305</u>	<u>237,521</u>	<u>(14,900)</u>	<u>647,926</u>
Interest expense	(225,523)	(21,388)	(43,642)	(290,553)
Income from continuing operations, net of tax	144,146	126,339	(35,125)	235,360
Discontinued operations, net of tax	198,885	<u>—</u>	(198,885)	<u>—</u>
Net income	343,031	126,339	(234,010)	235,360
Basic earnings per share:				
From continuing operations	1.02			1.67
From continued operations, as adjusted(3)	1.35			2.00
From discontinued operations	1.41			<u>—</u>
From discontinued operations, as adjusted(3)	1.48			<u>—</u>
Basic earnings per share	2.43(4)			1.67
Basic earnings per share, as adjusted(3)	2.83			2.00
Diluted earnings per share:				
From continuing operations	1.01			1.64

From continuing operations, as adjusted(3)	1.34	1.96
From continuing operations	1.40	—
From discontinued operations, as adjusted(3)	1.47	—
Diluted earnings per share	2.41(4)	1.64
Diluted earnings per share, as adjusted(3)	2.81	1.96
<b>Other Financial Data (unaudited):</b>		
Ratio of earnings from continuing operations to fixed charges and preferred stock dividends(5)	2.00	2.30
Ratio of earnings from continuing operations, excluding nonrecurring items, to fixed charges and preferred stock dividends(5)	1.89	2.22

**Six Months Ended June 30, 2002 (unaudited)**

	As Reported		Pro Forma	
	CenturyTel	Verizon Acquisitions(1)	Pro Forma Adjustments(2)	Pro Forma Consolidated
<b>Income Statement Data:</b>				
Operating revenues				
Telephone	\$ 753,230	\$ 266,314	\$ —	\$ 1,019,544
Other	<u>108,390</u>	<u>—</u>	<u>—</u>	<u>108,390</u>
Total operating revenues	<u>861,620</u>	<u>266,314</u>	<u>—</u>	<u>1,127,934</u>
Operating expenses:				
Cost of sales and operating expenses	436,877	106,791	6,756	550,424
Corporate overhead costs allocable to discontinued operations	9,932	—	—	9,932
Depreciation and amortization	<u>186,231</u>	<u>42,259</u>	<u>—</u>	<u>228,490</u>
Total operating expenses	<u>633,040</u>	<u>149,050</u>	<u>6,756</u>	<u>788,846</u>
Operating income	228,580	117,264	(6,756)	339,088
Interest expense	(104,805)	(8,400)	(21,549)	(134,754)
Income from continuing operations, net of tax	83,065	66,581	(16,983)	132,663
Discontinued operations, net of tax	66,465	—	(66,465)	—
Net income	149,530	66,581	(83,448)	132,663
Basic earnings per share:				
From continuing operations	0.59			0.94
From discontinued operations	<u>0.47</u>			<u>—</u>
	<u>1.06</u>			<u>0.94</u>
Diluted earnings per share:				
From continuing operations	0.58			0.92
From discontinued operations	<u>0.47</u>			<u>—</u>
	<u>1.05</u>			<u>0.92</u>
<b>Other Financial Data (unaudited):</b>				
Ratio of earnings from continuing operations to fixed charges and preferred stock dividends(5)	2.19			2.52
Ratio of earnings from continuing operations, excluding nonrecurring items, to fixed charges and preferred stock dividends(5)	2.33			2.63

	As Reported		Pro Forma	
	CenturyTel	Verizon Acquisitions(1)	Pro Forma Adjustments(2)	Pro Forma Consolidated
<b>Balance Sheet Data:(6)</b>				
Net property, plant and equipment	\$ 2,725,096	\$ 639,686	\$ —	\$ 3,364,782
Total assets	6,637,308	869,340	277,326	7,783,974
Short-term debt and current maturities of long-term debt	432,397	—	—	432,397
Total debt (including short-term debt and current maturities of long-term debt)	3,182,585	—	655,000	3,837,585
Total stockholders' equity	2,458,089	—	578,154	3,036,243

- (1) These amounts are based on special purpose financial statements of the Verizon operations acquired in the third quarter of 2002. In connection with these special purpose financial statements, Verizon made numerous assumptions and allocations where specific data was not available pertaining to the acquired assets. Because of the significant amount of allocations and estimates used to prepare these special purpose financial statements and because we will operate these assets under a different operating and management structure, they may not reflect the financial position and results of operations of the properties after we acquire them.
- (2) These amounts are based on our preliminary allocations of the aggregate Verizon purchase price in both acquisitions to the Verizon assets acquired. Our preliminary estimates of the fair value and useful lives of Verizon's non-current assets and liabilities are subject to change upon completion of our valuation analysis. To the extent that final allocations of the purchase price cause our annual depreciation and amortization expense to differ from that presented in the pro forma information, annual earnings per share will be affected by \$.01 per share for every \$2.4 million difference in annual depreciation and amortization expense. For more information, see "Risk Factors."
- (3) As adjusted to reflect the after-tax effect of eliminating goodwill amortization in accordance with SFAS 142.
- (4) Our basic earnings per share and diluted earnings per share for the year ended December 31, 2001 was \$1.72 and \$1.70, after eliminating the effect of nonrecurring net gains associated with our wireless operations.
- (5) Calculated in the manner described in this prospectus under "Earnings Ratios."
- (6) For additional pro forma balance sheet data, see "Capitalization."

## RISK FACTORS

*In connection with the exchange offer, you should carefully consider the following risk factors, as well as the other information contained or incorporated by reference in this prospectus.*

### Risk Factors Relating To CenturyTel

#### *We have a substantial amount of indebtedness.*

Principally, as a result of our recent acquisitions, we have a substantial amount of indebtedness. See "Capitalization." This could hinder our ability to adjust to changing market and economic conditions, as well as our ability to access the capital markets to refinance maturing debt in the ordinary course. In connection with executing our business strategies, we are continuously evaluating the possibility of acquiring additional communications assets, and we may elect to finance acquisitions by incurring additional indebtedness. If we incur significant additional indebtedness, our credit ratings could be adversely affected. As a result, our borrowing costs could increase, our access to capital may be adversely affected and our ability to satisfy our obligations under the notes or our other indebtedness could be adversely affected.

*Our operations have undergone material changes, and our actual operating results will differ from the results indicated in our historical and pro forma financial statements.*



As a result of our recently completed Verizon acquisitions and wireless divestiture, our mix of operating assets differs materially from those operations upon which our historical financial statements are based. Consequently, our historical financial statements may not be reliable as an indicator of future results. Moreover, the pro forma financial information summarized and incorporated by reference in this prospectus, while helpful in illustrating certain effects of our recently completed transactions and related financings, does not attempt to predict or suggest future operating results. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described in such information, nor is it necessarily indicative of our future operating results or financial position.

In particular, you should be aware that the pro forma information summarized and incorporated by reference in this prospectus reflects our preliminary allocations of the aggregate purchase price paid in the Verizon acquisitions to the Verizon assets acquired. Such preliminary allocations include the assumption that the fair value of property, plant and equipment will approximate the carrying value thereof on the applicable dates of acquisition. The preliminary estimates of the fair value of the noncurrent assets and liabilities are subject to change upon completion of our valuation analysis. To the extent that final allocations of the purchase price cause our annual depreciation and amortization expense to differ from that presented in the pro forma information, annual earnings per share will be affected by \$.01 per share for every \$2.4 million difference in annual depreciation and amortization expense. Thus, for example, if we ultimately allocate an additional \$95.7 million of the aggregate purchase price to property, plant and equipment (representing a 15% increase in the amount that we have preliminarily allocated to such assets), our annual depreciation and amortization expense would increase by approximately \$9.6 million (assuming a composite depreciation rate of 10%) and our annual earnings per share would decrease by approximately \$.04 per share from the amounts presented in the pro forma information. For more information, see the notes to the pro forma information incorporated by reference herein.

***Our future results will suffer if we do not effectively manage our growth.***

We expect our future growth to come from acquiring additional telephone properties, expanding into new markets, providing service to new customers, increasing network usage and providing additional products and services. Our future growth depends, in part, upon our ability to:

- upgrade our billing and other information systems
- retain and attract technological, managerial and other key personnel to work at our Monroe, Louisiana headquarters and regional offices
- effectively manage our day to day operations while attempting to execute our business strategy of expanding our wireline operations and our emerging businesses
- realize the projected growth and revenue targets developed by management for our newly acquired and emerging businesses, and
- continue to identify new acquisition opportunities that we can finance, complete and operate on attractive terms.

Our rapid growth poses substantial challenges for us to integrate new operations into our existing business, to successfully monitor our operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. If we are not able to meet these challenges effectively, our results of operations may be harmed.

***Our industry is highly regulated, and continues to undergo various fundamental regulatory changes.***

As a diversified full service incumbent local exchange carrier, or ILEC, we have traditionally been subject to significant regulation from federal, state and local authorities. This regulation restricts our ability to raise our rates and to compete, and imposes substantial compliance costs on us. In recent years, the communications industry has undergone various fundamental regulatory changes that have generally reduced the regulation of telephone companies and permitted competition in each segment of the telephone industry. These and subsequent changes could adversely affect us by reducing the fees that we are permitted to charge, altering our tariff structures, or otherwise changing the nature of our operations and competition in our industry. We are unable to predict the future actions of the various regulatory bodies that govern us, but such actions could materially affect our business.

***We face competition, which could adversely affect us.***

As a result of various technological, regulatory and other changes, the telecommunications industry has become increasingly competitive, and we expect these trends to continue. The number of companies that have requested authorization to provide local exchange service in our markets has increased in recent years, and we anticipate that others will take similar action in the future. As an ILEC, our competitors include competitive local exchange carriers, or CLECs, and other providers (or potential providers) of communications services, such as Internet service providers, wireless telephone companies, satellite companies, alternate access providers, neighboring ILECs, long

distance companies and cable companies that may provide services competitive with ours or services that we intend to introduce. We cannot assure you that we will be able to compete effectively with all of these industry participants.

We expect competition to intensify as a result of new competitors and the development of new technologies, products and services. We cannot predict which future technologies, products or services will be important to maintain our competitive position or what funding will be required to develop and provide these technologies, products or services. Our ability to compete successfully will depend on how well we market our products and services, and on our ability to anticipate and respond to various competitive factors affecting the industry, including a changing regulatory environment that may affect us differently from our competitors, new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors.

Many of our current and potential competitors have market presence, engineering, technical and marketing capabilities and financial, personnel and other resources substantially greater than ours. In addition, some of our competitors can raise capital at a lower cost than we can, and have substantially stronger brand names. Consequently, some competitors may be able to charge lower prices for their products and services, to develop and expand their communications and network infrastructures more quickly, to adapt more swiftly to new or emerging technologies and changes in customer requirements, and to devote greater resources to the marketing and sale of their products and services than we can.

While we expect our telephone revenues to grow as the economy improves, our internal telephone revenue growth rate has slowed in recent years and may continue to slow during upcoming periods.

***We could be harmed by the recent adverse developments affecting other communications companies.***

Recently, WorldCom, Inc. and several other large communications companies have declared bankruptcy or suffered financial difficulties. Consequently, we recorded a provision for uncollectible receivables, primarily related to the bankruptcy of WorldCom, Inc., in the amount of \$15.0 million in the second quarter of 2002. Continued weakness in the communications industry could have additional future adverse effects on us, including reducing our ability to collect receivables and to access the capital markets on favorable terms.

**Risk Factors Relating to the Exchange Offer**

***Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid.***

Holders of outstanding notes who do not participate in the exchange offer will continue to be subject to the restrictions on transfer of their outstanding notes as set forth in the legend thereon. In general, the outstanding notes may not be offered or sold, unless registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently anticipate that we will register the outstanding notes under the Securities Act.

Because we anticipate that most holders of outstanding notes will elect to exchange their outstanding notes, we expect that the liquidity of the market for any outstanding notes remaining after the completion of the exchange offer may be substantially reduced and thereby adversely affected.

***Restrictions and conditions may apply to the transfer of exchange notes under certain circumstances.***

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that exchange notes issued pursuant to the exchange offer may be offered for resale, resold or otherwise transferred by holders thereof (other than any such holder which is an "affiliate" of the Company within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and such holder has no arrangement with any person to participate in the distribution of such exchange notes. However, we do not intend to confirm this treatment with the SEC, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the exchange offer being made hereunder.

Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes and has no arrangement or understanding to participate in a distribution of exchange notes. If any holder is an affiliate of the Company, is engaged in or intends to engage in or has any arrangement or understanding with respect to the distribution of the exchange notes to be acquired pursuant to the exchange offer, such holder (i) cannot rely on the applicable interpretations of the staff of the SEC and (ii) will be subject to the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes.

***Your outstanding notes may not be accepted for exchange if you fail to timely transmit a letter of transmittal in accordance with the terms of the exchange offer.***

To participate in the exchange offer, holders of outstanding notes must transmit a properly completed letter of transmittal, including all other documents required thereby, to the exchange agent at one of the addresses set forth below on or prior to the expiration date. In addition, a holder must (i) timely furnish to the exchange agent either confirmation of a book-entry transfer of such outstanding notes into the exchange

agent's account at the DTC pursuant to the procedure for book-entry transfer described herein or (ii) comply with the guaranteed delivery procedures described herein. See "The Exchange Offer."

## **Risk Factors Relating to the Exchange Notes**

*The exchange notes will be effectively subordinated to the debt of our subsidiaries.*

As a holding company, substantially all of our income and operating cash flow is dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon loans or other payments of funds by those subsidiaries to, us. As a result, we rely upon our subsidiaries to generate the funds necessary to meet our obligations, including the payment of amounts owed under the exchange notes. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due pursuant to the exchange notes or, subject to limited exceptions for tax-sharing purposes, to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. Certain of our subsidiaries' loan agreements contain various restrictions on the transfer of funds to us, including certain provisions that restrict the amount of dividends that may be paid to us. As of December 31, 2001, the amount of retained earnings of our subsidiaries not subject to dividend restrictions was approximately \$1.8 billion. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization (and the ability of holders of exchange notes to benefit indirectly therefrom) will be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.

*An active trading market for the exchange notes may not develop, and there may be restrictions on resale of the notes.*

Prior to this offering, there has been no trading market for the notes. We cannot assure you that an active trading market for the exchange notes will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their exchange notes or the price at which holders will be able to sell their exchange notes. Future trading prices of the notes will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, our performance and other factors. We do not intend to apply for listing of the exchange notes on any securities exchange or any automated quotation system.

*Changes in our credit rating or changes in the credit markets could adversely affect the market price of the exchange notes.*

The market price for the exchange notes will be based on a number of factors, including:

- our ratings with major credit rating agencies;
- the prevailing interest rates being paid by other companies similar to us; and
- the overall condition of the financial markets.

The condition of the credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the exchange notes.

In addition, credit rating agencies continually revise their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the communications industry as a whole and may change their credit rating for us based on their overall view of our industry. See "— Risk Factors Relating to CenturyTel — We could be harmed by the recent adverse developments affecting other communications companies." We cannot be sure that credit rating agencies will maintain their current ratings on the exchange notes. A negative change in our ratings could have an adverse effect on the price of the exchange notes.

## **USE OF PROCEEDS**

We will not receive any proceeds in connection with the exchange offer.

## **EARNINGS RATIOS**

Our unaudited ratio of earnings to fixed charges and preferred stock dividends was as indicated below for the periods indicated.

	Year ended December 31,					Six Months ended June 30,
	1997	1998	1999	2000	2001	2002
Ratio of earnings to fixed charges and preferred stock dividends <sup>(1)</sup>	7.80	3.25	3.75	3.07	3.40	3.06

Ratio of earnings, excluding non-recurring items <sup>(2)</sup> , to fixed charges and preferred stock dividends	4.87	2.95	3.45	3.01	2.57	3.20
Ratio of earnings from continuing operations to fixed charges and preferred stock dividends <sup>(1)</sup>	5.91	2.18	2.45	2.07	2.00	2.19
Ratio of earnings from continuing operations, excluding non-recurring items <sup>(2)</sup> , to fixed charges and preferred stock dividends	2.98	2.01	2.39	2.12	1.89	2.33

(1) For purposes of the chart above, "earnings" consist of income (or income from continuing operations, as applicable) before income taxes and fixed charges, and "fixed charges" include interest expense, including amortized debt issuance costs and preferred stock dividend costs of CenturyTel and its subsidiaries. No interest expense was allocated to discontinued operations for the computation of the ratios from continuing operations. We have assumed that our consolidated preferred stock dividend requirements were equal to the pre-tax earnings that would be required to cover those dividend requirements. We computed those pre-tax earnings using actual tax rates for each period. The ratio of earnings to fixed charges and preferred stock dividends does not differ materially from the ratio of earnings to fixed charges for the periods indicated in the table above.

(2) Non-recurring items during the periods presented above primarily relate to gains on sales of assets and other non-recurring charges and credits, including, but not limited to, (i) the write-down in the value of certain nonoperating assets or investments, (ii) costs to defend an unsolicited takeover proposal, (iii) costs to settle interest rate hedge contracts and (iv) costs relating to an ice storm in early 2001.

### CAPITALIZATION (Dollars in thousands)

The following table sets forth the following information as of June 30, 2002:

- our actual consolidated capitalization
- our pro forma consolidated capitalization after giving effect to our recent Verizon acquisitions, wireless operations divestiture and sale of debt securities.

For additional information regarding these transactions, see "Prospectus Summary – CenturyTel – Acquisitions and Dispositions." You should read the following table in conjunction with our consolidated financial statements and unaudited pro forma consolidated condensed financial information, and the notes thereto, incorporated by reference into this prospectus.

	Adjustments					
	As of June 30, 2002	Purchase of Alabama Properties(1)	Divestiture of Wireless Operations(2)	Sale of Debt Securities(3)	Purchase of Missouri Properties(4)	Pro Forma for Adjustments
Cash and cash equivalents	\$ 302,070	\$ (288,000)	\$ 687,625	\$ 665,000	\$ (1,177,000)	\$ 189,695
Short-term debt	\$ —	\$ 432,000	\$ (432,000)			\$ —
Long-term debt						
CenturyTel, Inc. 4.85% note, due through 2002	173,375		(173,375)			—
Senior credit facility, due through 2002		300,000	(300,000)			—
Senior notes and debentures						

7.75% Series A, due 2004	50,000				50,000
8.25% Series B, due 2024	100,000				100,000
6.55% Series C, due 2005	50,000				50,000
7.20% Series D, due 2025	100,000				100,000
6.15% Series E, due 2005	100,000				100,000
6.30% Series F, due 2008	240,000				240,000
6.875% Series G, due 2028	425,000				425,000
8.375% Series H, due 2010	500,000				500,000
7.75% Series I, remarketable 2002	400,000				400,000
6.02% Series J, due 2007	500,000				500,000
4.75% Series K, due 2032	—			165,000	165,000
7.875% Series L, due 2012	—			500,000	500,000
9.38% notes, due through 2003	7,975				7,975
6.84%(5) Employee Stock Ownership Plan commitment, due in installments through 2004	2,000				2,000
Net unamortized premium and discounts	10,548				10,548
Other	<u>161</u>				<u>161</u>
Total CenturyTel, Inc. Inc Subsidiaries	<u>2,659,059</u>	300,000	(473,375)	665,000	<u>3,150,684</u>
	<u>523,526</u>				<u>523,526</u>
Total long-term debt	3,182,585	300,000	(473,375)	665,000	3,674,210
Less: Current maturities	<u>432,397</u>				<u>432,397</u>
Total long-term debt excluding current maturities	<u>2,750,188</u>	<u>300,000</u>	<u>(473,375 )</u>	<u>665,000</u>	<u>3,241,813</u>
Stockholders' equity					
Common stock, \$1.00 par value, 350,000,000 shares authorized, 141,660,660 shares issued and outstanding	141,661				141,661
Paid-in capital	509,939				509,939
Retained earnings	1,800,514		578,154		2,378,668
Unearned ESOP shares	(2,000)				(2,000)
Preferred stock-non-redeemable	<u>7,975</u>				<u>7,975</u>
Total stockholders' equity	<u>2,458,089</u>	<u>—</u>	<u>578,154</u>	<u>—</u>	<u>3,036,243</u>
Total capitalization	<u>\$ 5,640,674</u>	<u>\$ 732,000</u>	<u>\$ (327,221)</u>	<u>\$ 665,000</u>	<u>\$ 6,710,453</u>

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- (1) Reflects the \$1.020 billion purchase of our Alabama properties from Verizon on July 1, 2002, using cash on hand and borrowings under credit facilities.
  - (2) Reflects (i) the reduction in debt utilizing cash proceeds received from the sale of our wireless operations on August 1, 2002 and (ii) the estimated gain on the sale of such operations.
  - (3) Reflects our concurrent sale in the third quarter of 2002 of \$165 million of debentures and \$500 million of senior notes.
  - (4) Reflects the \$1.177 billion purchase of Missouri properties from Verizon on August 31, 2002, using cash on hand.
  - (5) Weighted average interest rate at June 30, 2002.

## THE EXCHANGE OFFER

### Overview

**Background** . The outstanding notes were issued to the initial purchasers on August 26, 2002 (the "issue date") as part of a private offering. The outstanding notes were sold by the initial purchasers to qualified institutional buyers in reliance on Rule 144A under the Securities Act.

**Registration Rights** . We entered into a registration rights agreement with the initial purchasers, which we have filed with the SEC as an exhibit to the registration statement of which this prospectus forms a part. The following summary of the registration rights agreement does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, the registration rights agreement.

In the registration rights agreement, we agreed to file a registration statement relating to an offer to exchange the outstanding notes for exchange notes. We also agreed to use our reasonable best efforts to cause the exchange offer registration statement to be declared effective under the Securities Act by January 23, 2003, and keep the exchange offer registration statement effective for not less than 20 business days (or a longer period if required by applicable law or extended by us, at our option) after the date notice of the registered exchange offer is mailed to the holders of the outstanding notes. The exchange notes will have terms substantially identical to the outstanding notes, except as otherwise indicated below.

In addition, under the circumstances set forth below, we are required to use our reasonable best efforts to cause the SEC to declare effective a shelf registration statement with respect to the resale of the outstanding notes and keep the registration statement continuously effective, supplemented and amended as required to permit this prospectus to be usable by holders of outstanding notes for a period of two years after the issue date or, if earlier, when all of the outstanding notes covered by such shelf registration statement (i) have been sold pursuant to the shelf registration statement in accordance with the intended method of distribution thereunder, (ii) become eligible for resale pursuant to Rule 144(k) under the Securities Act, or (iii) cease to have registration rights under the registration rights agreement. These circumstances include:

- Changes in law or applicable interpretations of the staff of the SEC preclude us from effecting a registered exchange offer;
- For any other reason (i) our exchange offer registration statement is not declared effective by January 23, 2003, or (ii) we do not consummate the registered exchange offer within 30 days after the effectiveness of the exchange offer registration statement;
- Upon the request of an initial purchaser who holds outstanding notes within 60 days after the consummation of the exchange offer; or
- Any other holder of outstanding notes notifies us within 20 business days following the consummation of the exchange offer that, based upon the advice of its counsel, it was not eligible to participate in the exchange offer or that it participated in the exchange offer but did not receive exchange notes which are freely tradeable without any limitations or restrictions under the Securities Act.

If we fail to comply with certain obligations under the registration rights agreement, we will be required to pay additional interest to holders of the outstanding notes.

***Other General Matters*** . Each holder of outstanding notes who wishes to exchange outstanding notes for exchange notes hereunder will be required to make the following representations:

- Any exchange notes will be acquired in the ordinary course of its business;
- The holder will have no arrangements or understandings with any person to participate in the distribution of the exchange notes within the meaning of the Securities Act;
- The holder is not an affiliate (as defined in Rule 405 promulgated under the Securities Act) of ours or an initial purchaser holding outstanding notes acquired by it and having the status of an unsold allotment in the initial offering and sale of the outstanding notes pursuant to the purchase agreement by and between us and the initial purchasers;
- If the holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the exchange notes;
- Each broker-dealer who receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes; and
- The holder is not acting on behalf of any person who could not truthfully and completely make the foregoing representations.

## **Terms of the Exchange**

We hereby offer to exchange, upon the terms and subject to the conditions set forth herein and in the letter of transmittal, up to \$500,000,000 principal amount of exchange notes for up to \$500,000,000 principal amount of outstanding notes. The form and terms of the exchange notes are identical in all respects to the terms of the outstanding notes for which they may be exchanged pursuant to the exchange offer, except that (i) the interest on the exchange notes will accrue from the last date on which interest was paid or duly provided for on the

outstanding notes or, if no such interest has been paid or duly provided for, from the issue date, (ii) provisions relating to an increase in the stated rate of interest thereon upon the occurrence of a registration default will be eliminated, and (iii) the transfer restrictions on the outstanding notes will be eliminated. The exchange notes will evidence the same debt as the outstanding notes and will be entitled to the benefits of the indenture pursuant to which such outstanding notes were issued. See "Description of the Notes."

Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties, we believe that exchange notes issued pursuant to the exchange offer in exchange for outstanding notes may be offered for resale, resold or otherwise transferred by holders thereof (other than any such holder which is an "affiliate" of ours within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such exchange notes are acquired in the ordinary course of such holder's business and such holder does not intend to participate in the distribution of such exchange notes. However, we do not intend to confirm this treatment with the SEC, and there can be no assurance that the staff of the SEC would make a similar determination with respect to the exchange offer being made hereunder.

Each holder, other than a broker-dealer, must acknowledge that it is not engaged in, and does not intend to engage in, a distribution of exchange notes and has no arrangement or understanding to participate in a distribution of exchange notes. If any holder is an affiliate of the Company, is engaged in or intends to engage in or has any arrangement or understanding with respect to the distribution of the exchange notes to be acquired pursuant to the exchange offer, such holder (i) cannot rely on the applicable interpretations of the staff of the SEC and (ii) will be subject to the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer that owns outstanding notes that are acquired for its own account as a result of market-making activities or other trading activities and that receives exchange notes for its own account pursuant to the exchange offer may be an "underwriter" within the meaning of the Securities Act, and must acknowledge that it will deliver a prospectus, in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities (other than outstanding notes acquired directly from us). We have agreed that, for a period of 180 days following the consummation of the exchange offer, we will use our best efforts to make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Tendering holders of outstanding notes will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of the outstanding notes pursuant to the exchange offer.

Interest on the exchange notes will accrue from the last date on which interest was paid or duly provided for on the outstanding notes or, if no such interest has been paid or duly provided for, from the issue date. Holders whose outstanding notes are accepted for exchange will receive accrued interest thereon to, but not including, the date of issuance of the exchange notes, such interest to be payable with the first interest payment on the exchange notes, but will not receive any payment in respect of interest on the outstanding notes accrued after the issuance of the exchange notes.

#### **Expiration Date; Extensions; Termination; Amendments**

The exchange offer expires on the expiration date. The term "expiration date" means 5:00 p.m., New York City time, on \_\_\_\_\_, 2002, unless in our sole discretion we extend the period during which the exchange offer is open, in which event the term "expiration date" means the latest time and date on which such exchange offer, as so extended, expires. We will be entitled to close the exchange offer 20 business days after the commencement thereof, provided, however, that we have accepted all outstanding notes theretofore validly surrendered in accordance with the terms of the exchange offer. We reserve the right to extend the exchange offer at any time and from time to time prior to the expiration date. We shall notify Regions Bank (the "Exchange Agent") and each registered holder of the outstanding notes of any extension by press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date, unless otherwise required by applicable law or regulation. During any extension of the exchange offer, all outstanding notes previously tendered pursuant to the exchange offer will remain subject to the exchange offer.

We expressly reserve the right to (i) terminate the exchange offer and not accept for exchange any outstanding notes for any reason, including if any of the events set forth below under "— Conditions to the Exchange Offer" have occurred and have not been waived by us and (ii) amend the terms of the exchange offer in any manner, whether before or after any tender of the outstanding notes. If any such termination or amendment occurs, we will notify the Exchange Agent in writing and will either issue a press release or give written notice to the holders of the outstanding notes as promptly as practicable. Unless we terminate the exchange offer prior to 5:00 p.m. New York City time, on the expiration date, we will exchange the exchange notes for the related outstanding notes promptly following the expiration date.

If we waive any material condition to the exchange offer, or amend the exchange offer in any other material respect, and if at the time that notice of such waiver or amendment is first published, sent or given to holders of outstanding notes in the manner specified above the exchange offer is scheduled to expire at any time earlier than the expiration of a period ending on the fifth business day from, and including, the date that such notice is first so published, sent or given, then the exchange offer will be extended until the expiration of such period of five business days, unless otherwise required by applicable law.

This prospectus and the related letter of transmittal and other relevant materials will be mailed by us to record holders of outstanding notes and will be furnished to brokers, banks and similar persons whose names, or the names of whose nominees, appear on the lists of holders

for subsequent transmittal to beneficial owners of outstanding notes.

## **Exchange Offer Procedures**

The tender of outstanding notes to us by a holder thereof pursuant to one of the procedures set forth below will constitute an agreement between such holder and us in accordance with the terms and subject to the conditions set forth herein and in the letter of transmittal. Because the outstanding notes were issued as global notes, this prospectus generally assumes that holders will tender their outstanding notes through book-entry transfer, although supplemental information regarding the delivery of certificated notes is also included in the unlikely event that the global notes are exchanged for certificated notes.

**General Procedures** . A holder of an outstanding note may tender the note by (i) properly completing and signing the letter of transmittal or a facsimile thereof (it being understood that all references herein to the letter of transmittal will be deemed to include a facsimile thereof) and delivering it, together with a timely confirmation of a book-entry transfer pursuant to the procedure described below, to the Exchange Agent at its address set forth below under "– Exchange Agent" or on prior to the expiration date or (ii) complying with the guaranteed delivery procedures described below.

If tendered notes are registered in the name of the signer of the letter of transmittal and the exchange notes to be issued in exchange therefor are to be issued (and any untendered outstanding notes are to be reissued) in the name of the registered holder, the signature of such signer need not be guaranteed. In any other case, the tendered notes must be endorsed or accompanied by written instruments of transfer in form satisfactory to us and duly executed by the registered holder and the signature on the endorsement or instrument of transfer must be guaranteed by a firm (an "Eligible Institution") that is a member of a recognized signature guarantee medallion program (an "Eligible Program") within the meaning of Rule 17Ad-15 under the Exchange Act. If any notes are to be delivered to an address other than that of the registered holder appearing on the note register for the outstanding notes, the signature on the letter of transmittal must be guaranteed by an Eligible Institution.

Any beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and who wishes to tender outstanding notes should contact such holder promptly and instruct such holder to tender outstanding notes on such beneficial owner's behalf. If such beneficial owner wishes to tender such outstanding notes himself, such beneficial owner must, prior to completing and executing the letter of transmittal and delivering such outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in such beneficial owner's name or follow the procedures described in the immediately preceding paragraph. The transfer of record ownership may take considerable time.

THE METHOD OF DELIVERY OF OUTSTANDING NOTES AND ALL OTHER DOCUMENTS IS AT THE ELECTION AND RISK OF THE HOLDER. IF SENT BY MAIL, IT IS RECOMMENDED THAT REGISTERED MAIL, RETURN RECEIPT REQUESTED, BE USED, PROPER INSURANCE BE OBTAINED, AND THE MAILING BE MADE SUFFICIENTLY IN ADVANCE OF THE EXPIRATION DATE TO PERMIT DELIVERY TO THE EXCHANGE AGENT ON OR BEFORE THE EXPIRATION DATE.

Unless an exemption applies under the applicable law and regulations concerning "backup withholding" of federal income tax, the Exchange Agent will withhold 30% of the gross proceeds otherwise payable to a holder pursuant to the exchange offer if the holder does not provide its taxpayer identification number (social security number of employer identification number) and certify that such number is correct. Each tendering holder should complete and sign the main signature form and the Substitute Form W-9 included as part of the letter of transmittal, so as to provide the information and certification necessary to avoid backup withholding, unless an applicable exemption exists and is proved in a manner satisfactory to us and the Exchange Agent.

**Book-Entry Transfer** . The outstanding notes were issued as global securities in fully registered form without interest coupons. Beneficial interests in the global securities, held by direct or indirect participants in DTC, are shown on, and transfers of these interests are effected only through, records maintained in book-entry form by DTC with respect to its participants.

The Exchange Agent will establish an account with respect to the book-entry interests at DTC for purposes of the exchange offer promptly after the date of this prospectus. You must deliver your book-entry interest by book-entry transfer to the account maintained by the Exchange Agent at DTC. Any financial institution that is a participant in DTC's systems may make book-entry delivery of book-entry interests by causing DTC to transfer the book-entry interests into the Exchange Agent's account at DTC in accordance with DTC's procedures for transfer.

If you hold your outstanding notes in the form of book-entry interests and you wish to tender your outstanding notes for exchange pursuant to the exchange offer, you must transmit to the Exchange Agent on or prior to the expiration date either: (i) a written or facsimile copy of a properly completed and duly executed letter of transmittal, including all other documents required by the letter of transmittal, to the Exchange Agent at the address set forth below under "– Exchange Agent" or (ii) a computer-generated message transmitted by means of DTC's Automated Tender Offer Program system and received by the Exchange Agent and forming a part of a confirmation of book-entry transfer, in which you acknowledge and agree to be bound by the terms of the letter of transmittal.

In addition, in order to deliver outstanding notes held in the form of book-entry interests a holder must (i) timely furnish to the exchange agent a confirmation of book-entry transfer of such outstanding notes into the exchange agent's account at DTC prior to the expiration date or (ii) comply with the guaranteed delivery procedures described below.



***Guaranteed Delivery Procedures*** . If a holder desires to accept the exchange offer but is unable to deliver all required documentation or to obtain confirmation of a book-entry transfer before the expiration date, a tender may be effected if the Exchange Agent has received at the address specified below under "– Exchange Agent" on or prior to the expiration date a letter or facsimile transmission from an Eligible Institution setting forth the name and address of the tendering holder, the names in which the outstanding notes are registered and, if possible, the certificate number of the outstanding notes to be tendered, and stating that the tender is being made thereby and guaranteeing that within three New York Stock Exchange trading days after the date of execution of such letter or facsimile transmission by the Eligible Institution, the outstanding notes, in proper form for transfer, will be delivered by such Eligible Institution together with a properly completed and duly executed letter of transmittal (and any other required documents). Unless outstanding notes being tendered by the above-described method (or a timely Book-Entry Confirmation) are deposited with the Exchange Agent within the time period set forth above (accompanied or preceded by a properly completed letter of transmittal and any other required documents), we may, at our option, reject the tender. Copies of a Notice of Guaranteed Delivery, which may be used by Eligible Institutions for the purposes described in this paragraph, are being delivered with this prospectus and the related letter of transmittal.

***Other Matters*** . A tender will be deemed to have been received as of the date when the tendering holder's properly completed and duly signed letter of transmittal accompanied by the outstanding notes or a timely book-entry confirmation is received by the Exchange Agent. Issuances of exchange notes in exchange for outstanding notes tendered pursuant to a Notice of Guaranteed Delivery or letter or facsimile transmission to similar effect (as provided above) by an Eligible Institution will be made only against deposit of the letter of transmittal (and any other required documents) and the tendered notes or a timely book-entry confirmation.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance for exchange of any tender of outstanding notes will be determined by us, whose determination will be final and binding on all parties. We reserve the absolute right to reject any or all tenders not in proper form or the acceptance of which, or exchange for which, may, in the opinion of our counsel, be unlawful. We also reserve the absolute right, subject to applicable law, to waive any of the conditions of the exchange offer or any defects or irregularities in tenders of any particular holder whether or not similar defects or irregularities are waived in the case of other holders. Our interpretation of the terms and conditions of the exchange offer (including the letter of transmittal and the instructions thereto) will be final and binding. No tender of outstanding notes will be deemed to have been validly made until all defects and irregularities with respect to such tender have been cured or waived. None of us, the Exchange Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur any liability for failure to give any such notification.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such exchange notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."

## **Terms and Conditions of the Letter of Transmittal**

The letter of transmittal contains, among other things, the following terms and conditions, which are part of the exchange offer.

- The party tendering outstanding notes for exchange (the "transferor") exchanges, assigns and transfers the outstanding notes to us and irrevocably constitutes and appoints the Exchange Agent as the transferor's agent and attorney-in-fact to cause the outstanding notes to be assigned, transferred and exchanged.
- The transferor represents and warrants that it has full power and authority to tender, exchange, sell, assign and transfer the outstanding notes, and that, when they are accepted for exchange, we will acquire good, marketable and unencumbered title to the tendered outstanding notes, free and clear of all liens, restrictions, changes and encumbrances and not subject to any adverse claim. The transferor also warrants that it will, upon request, execute and deliver any additional documents deemed by us or the Exchange Agent to be necessary or desirable to complete the exchange, assignment and transfer of tendered outstanding notes. The transferor agrees that all authority conferred by the transferor will survive the death or incapacity of the transferor and every obligation of the transferor will be binding upon the heirs, legal representatives, successors, assigns, executors and administrators of such transferor.
- If the transferor is not a broker-dealer, it represents that it is not engaged in, and does not intend to engage in, a distribution of exchange notes. If the transferor is a broker-dealer that will receive exchange notes for its own account in exchange for outstanding notes, it represents that the outstanding notes to be tendered were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such exchange notes; however, by so acknowledging and by delivering a prospectus, the transferor will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

## **Withdrawal Rights**

Outstanding notes tendered pursuant to the exchange offer may be withdrawn at any time prior to the expiration date.

For a withdrawal to be effective, a written or facsimile transmission of such notice of withdrawal must be timely received by the Exchange Agent at its address set forth below under "– Exchange Agent" on or prior to the expiration date. Any such notice of withdrawal must specify the person named in the letter of transmittal as having tendered outstanding notes to be withdrawn, the certificate numbers of

outstanding notes to be withdrawn, the aggregate principal amount of outstanding notes to be withdrawn (which must be an authorized denomination), that such holder is withdrawing his election to have such outstanding notes exchanged, and the name of the registered holder of such outstanding notes, if different from that of the person who tendered such outstanding notes. Additionally, the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (except in the case of outstanding notes tendered for the account of an Eligible Institution). The Exchange Agent will return any properly withdrawn certificated notes promptly following receipt of notice of withdrawal. All questions as to the validity of notices of withdrawals, including time of receipt, will be final and binding on all parties.

If outstanding notes have been tendered pursuant to the procedures for book entry transfer, the notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawal of outstanding notes, in which case a notice of withdrawal will be effective if delivered to the Exchange Agent by written or facsimile transmission.

Withdrawals of tenders of outstanding notes may not be rescinded. Outstanding notes properly withdrawn will not be deemed validly tendered for purposes of the exchange offer, but may be retendered at any subsequent time on or prior to the expiration date by following any of the procedures described herein.

### **Acceptance of Outstanding Notes for Exchange; Delivery of Exchange Notes**

Upon the terms and subject to the conditions of the exchange offer, the acceptance for exchange of outstanding notes validly tendered and not withdrawn and the issuance of the exchange notes will be made promptly following the expiration date. For the purposes of the exchange offer, we will be deemed to have accepted for exchange validly tendered outstanding notes when, as and if we have given notice thereof to the Exchange Agent.

The Exchange Agent will act as agent for the tendering holders of outstanding notes for the purposes of receiving exchange notes from us and causing the outstanding notes to be assigned, transferred and exchanged. Upon the terms and subject to the conditions of the exchange offer, delivery of exchange notes to be issued in exchange for accepted outstanding notes will be made by the Exchange Agent promptly after acceptance of the tendered outstanding notes. Certificated notes not accepted for exchange by us will be returned without expense to the tendering holders or in the case of outstanding notes tendered by book-entry transfer into the Exchange Agent's account at DTC promptly following the expiration date or, if we terminate the exchange offer prior to the expiration date, promptly after the exchange offer is so terminated.

### **Conditions to the Exchange Offer**

Notwithstanding any other provision of the exchange offer, or any extension of the exchange offer, we will not be required to issue exchange notes in respect of any properly tendered outstanding notes not previously accepted and may terminate the exchange offer (by oral or written notice to the Exchange Agent and by timely public announcement communicated, unless otherwise required by applicable law or regulation, by making a press release) or, at our option, modify or otherwise amend the exchange offer, if (i) the exchange offer, or the making of any exchange by a holder of an outstanding note, would violate applicable law or any applicable interpretation of the staff of the SEC, (ii) an action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency or body with respect to the exchange offer which, in our judgment, would reasonably be expected to impair our ability to proceed with the exchange offer, or (iii) the holders of outstanding notes fail to tender the outstanding notes to us in accordance with the exchange offer.

The foregoing conditions are for our sole benefit and may be asserted by us with respect to all or any portion of the exchange offer regardless of the circumstances (including any action or inaction by us) giving rise to such condition or may be waived by us in whole or in part at any time or from time to time in our sole discretion. The failure by us at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, and each right will be deemed an ongoing right which may be asserted at any time or from time to time. In addition, we have reserved the right, notwithstanding the satisfaction of each of the foregoing conditions, to terminate or amend the exchange offer.

Any determination by us concerning the fulfillment or non-fulfillment of any conditions will be final and binding upon all parties.

In addition, we will not accept for exchange any outstanding notes tendered, and no exchange notes will be issued in exchange for any such outstanding notes, if at such time any stop order shall be threatened or in effect with respect to (i) the registration statement of which this prospectus constitutes a part or (ii) the qualification under the Trust Indenture Act of 1939 (the "Trust Indenture Act") of the indenture pursuant to which such outstanding notes were issued.

### **Exchange Agent**

Regions Bank has been appointed as the Exchange Agent of the exchange offer. All executed letters of transmittal should be directed to the Exchange Agent at one of the addresses set forth below. Questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for Notices of Guaranteed Delivery should be directed to the Exchange Agent addressed as follows:

*By Mail/Hand Delivery/Overnight Delivery:*

*By Registered or Certified Mail:*

Regions Bank, Corporate Trust Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

Regions Bank, Corporate Trust Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

*Via Facsimile (for eligible institutions only):*  
(334) 230-6150

*Confirm by telephone:*  
(334) 230-6119

*For Information Call:*  
(334) 230-6119

DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH HEREIN, OR TRANSMISSIONS OF INSTRUCTIONS VIA FACSIMILE NUMBER OTHER THAN THE ONES SET FORTH HEREIN, WILL NOT CONSTITUTE A VALID DELIVERY.

### **Solicitations of Tenders; Expenses**

We have not retained any dealer-manager or similar agent in connection with the exchange offer and will not make any payments to brokers, dealers or others for soliciting acceptances of the exchange offer. We will, however, pay the Exchange Agent reasonable and customary fees for its services and will reimburse it for reasonable out-of-pocket expenses in connection therewith. We will also pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding tenders for their customers. We will pay the expenses to be incurred in connection with the exchange offer, including the fees and expenses of the Exchange Agent and printing, accounting and legal fees.

### **Accounting Treatment**

The exchange notes will be recorded at the same carrying value as the outstanding notes, which is the principal amount as reflected in our accounting records on the date of the exchange. Accordingly, no gain or loss for accounting purposes will be recognized.

### **Appraisal Rights**

Holders of outstanding notes will not have dissenters' rights or appraisal rights in connection with the exchange offer.

### **Other**

Participation in the exchange offer is voluntary and holders should carefully consider whether to accept. Holders of the outstanding notes are urged to consult their financial and tax advisors in making their own decisions on what action to take.

Upon acceptance for exchange of all validly tendered outstanding notes pursuant to the terms of this exchange offer, we will have fulfilled a covenant contained in the registration rights agreement. Holders of the outstanding notes who do not tender their certificates in the exchange offer will continue to hold such certificates and will be entitled to all the rights, and limitations applicable thereto, under the indenture pursuant to which the outstanding notes were issued, except for any rights under the registration rights agreement which terminate as a result of the making of this exchange offer. All untendered outstanding notes will continue to be subject to the restrictions on transfer set forth in the outstanding notes and the indenture. To the extent that outstanding notes are tendered and accepted in the exchange offer, the trading market, if any, for the outstanding notes could be adversely affected. See "Risk Factors—Risk Factors Relating to the Exchange Offer—Outstanding notes not exchanged for exchange notes will continue to be subject to restrictions on transfer and may become less liquid."

We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through subsequent exchange offers or otherwise. We have no present plan to acquire any outstanding notes that are not tendered in the exchange offer.

## **DESCRIPTION OF THE NOTES**

The outstanding notes were issued as a separate series of senior debt securities under an indenture, dated as of March 31, 1994, between us and Regions Bank (successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), as trustee (the "indenture"). As described under "The Exchange Offer — Overview — Registration Rights," we agreed to file the registration statement of which this prospectus forms a part to permit holders to exchange the outstanding notes for publicly registered exchange notes having substantially identical terms, except principally for certain provisions relating to additional interest and transfer restrictions. The outstanding notes and the exchange notes will constitute a single series of securities under the indenture and therefore will vote together as a single class for purposes of determining whether holders of the requisite percentage in aggregate principal amount thereof have taken actions or exercised rights they are entitled to take or exercise under the indenture.

The following summary does not purport to be complete, and is subject to, and qualified in its entirety by reference to, all the provisions of the notes and the indenture. We urge you to read the notes and the indenture, which we have filed with the SEC as exhibits to the registration statement of which this prospectus forms a part, because they, and not this description, define your rights as holders of the notes.

## General

The notes will be limited initially to \$500 million aggregate principal amount, but we may "reopen" the series of notes at any time without the consent of the noteholders and issue additional debt securities with the same terms (except the issue price and issue date) that will constitute a single series with the notes. The notes will be issued only in fully registered form without coupons in denominations of \$1,000 and any integral multiples of \$1,000.

The notes will mature on August 15, 2012, unless redeemed prior to that date, as described under "— Optional Redemption." Interest on the notes will accrue at the rate of 7.875% per year and will be computed on the basis of a 360-day year comprised of twelve 30-day months. We will pay interest on the notes semi-annually in arrears on February 15 and August 15 of each year, beginning on February 15, 2003, to the registered holders of the notes on the preceding February 1 and August 1, respectively.

If any interest payment date, maturity date or redemption date falls on a day that is not a business day, the required payment of principal, premium, if any, and interest will be made on the next succeeding business day as if made on the date that the payment was due, and no interest will accrue on the amount so payable for the period from and after the interest payment date, maturity date or redemption date, as the case may be, to the date of that payment on the next succeeding business day.

We do not intend to apply for the listing or quotation of the notes on any securities exchange or market.

## Ranking

The notes are our senior unsecured obligations. The notes rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future unsecured and unsubordinated debt. The indenture does not limit the aggregate principal amount of senior debt securities that we may issue thereunder. As of June 30, 2002, we had approximately \$2.7 billion of unsecured and unsubordinated debt that would have ranked equally with the notes, including almost \$2.5 billion aggregate principal amount of senior debt securities issued under the indenture.

As a holding company, substantially all of our income and operating cash flow is dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon loans or other payments of funds by those subsidiaries to, us. As a result, we rely upon our subsidiaries to generate the funds necessary to meet our obligations, including the payment of amounts owed under the notes. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due pursuant to the notes or, subject to limited exceptions for tax sharing purposes, to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. Certain of our subsidiaries' loan agreements contain various restrictions on the transfer of funds to us, including certain provisions that restrict the amount of dividends that may be paid to us. At December 31, 2001, the amount of retained earnings of our subsidiaries not subject to dividend restrictions was approximately \$1.8 billion. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization (and the ability of holders of notes to benefit indirectly therefrom) will be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.

## Optional Redemption

The notes are redeemable in whole or in part at any time and from time to time, at our option, at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed; and
- the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate plus 35 basis points.

In each case we will pay any accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

"Comparable Treasury Issue" means the U.S. Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("Remaining Life") of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the trustee obtains fewer than

four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers that we appoint to act as the Independent Investment Banker from time to time.

"Reference Treasury Dealer" means each of Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc. and their respective successors, and one other firm that is a primary U.S. Government securities dealers (each, a "Primary Treasury Dealer") which we specify from time to time; provided, however, that if any of them ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate will be calculated on the third business day preceding the redemption date.

Notice of redemption will be mailed at least 30 but not more than 60 days before the redemption date to each holder of record of the notes to be redeemed at its registered address. The notice of redemption for the notes will state, among other things, the amount of notes to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any notes that have been called for redemption at the redemption date.

If we choose to redeem less than all of the notes, we will notify the trustee at least 45 days before giving notice of redemption, or such shorter period as is satisfactory to the trustee, of the aggregate principal amount of notes to be redeemed and the redemption date. The trustee will select by lot, or in such other manner it deems fair and appropriate, the notes to be redeemed in part.

If we have given notice as provided in the indenture and funds for the redemption of any notes (or any portion thereof) called for redemption will have been made available on the redemption date referred to in such notice, those notes (or any portion thereof) will cease to bear interest on that redemption date and the only right of the holders of those notes will be to receive payment of the redemption price.

The notes are not be subject to, and do not have the benefit of, a sinking fund.

## **Merger and Consolidation**

We may not consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of our assets to, another corporation, unless (1) we agree to obtain a supplemental indenture pursuant to which the surviving entity or transferee agrees to assume our obligations under all outstanding senior debt securities, including the notes, issued under the indenture and (2) the surviving entity or transferee is organized under the laws of the United States, any state thereof or the District of Columbia.

## **Limitations on Liens**

The indenture provides that we will not, while any of the senior debt securities under the indenture remain outstanding (including the notes), create or suffer to exist any mortgage, lien, pledge, security interest or other encumbrance (which we collectively refer to below as liens) upon our property, whether now owned or hereafter acquired, unless we shall secure the senior debt securities then outstanding, including the notes, by such lien equally and ratably with all obligations and indebtedness thereby secured so long as such obligations and indebtedness remain so secured. Notwithstanding the foregoing, the indenture will not restrict us from creating or suffering to exist various types of liens permitted in the indenture, including the following:

- liens upon property hereafter acquired by us or liens on such property at the time of the acquisition thereof, or conditional sales agreements or title retention agreements with respect to any such property;
- liens on the stock of a corporation that, when such liens arise, concurrently becomes our subsidiary, or liens on all or substantially all

of the assets of a corporation arising in connection with our purchase thereof;

- liens for taxes and similar levies, deposits to secure performance or obligations under certain specified circumstances and laws, mechanics' liens and similar liens arising in the ordinary course of business, liens created by or resulting from legal proceedings being contested in good faith, certain specified zoning restrictions and other restrictions on the use of real property, interests of lessors in property subject to any capitalized lease, and certain other similar liens generally arising in the ordinary course of business;
- liens existing on the date of the indenture; and
- liens that replace, extend or renew any lien otherwise permitted under the indenture.

The restrictions in the indenture described above would not protect the note holders in the event of a highly leveraged transaction in which unsecured indebtedness was incurred or in which the liens arising in connection therewith were freely permitted under the indenture, nor would it afford protection in the event of one or more highly leveraged transactions in which secured indebtedness was incurred by our subsidiaries. In the event of one or more highly leveraged transactions in which we incurred secured indebtedness, however, these provisions would require the notes to be secured equally and ratably with such indebtedness, subject to the exceptions described above.

### **Events of Default**

The indenture provides that an Event of Default means that one or more of the following events has occurred and is continuing with respect to senior debt securities of a particular series outstanding under the indenture, including the notes:

- failure for 30 business days to pay interest on the senior debt securities of that series when due;
- failure to pay principal of (or premium, if any, on) the senior debt securities of that series when due (whether at maturity, upon redemption, by declaration or otherwise) or to make any sinking or analogous fund payment with respect to that series unless caused solely by a wire transfer malfunction or similar problem outside our control;
- failure to observe or perform any other covenant of that series for 60 days after written notice is given to us by the trustee with respect thereto; or
- certain events relating to bankruptcy, insolvency or reorganization.

No Event of Default with respect to the senior debt securities of a particular series necessarily constitutes an Event of Default with respect to the senior debt securities of any other series issued under the indenture.

If an Event of Default shall occur and be continuing with respect to any series and if it is known to the trustee, the trustee is required to mail to each holder of that series a notice of the Event of Default within 90 days of such default.

Upon the occurrence of an Event of Default with respect to any series, the trustee or the holders of not less than 25% in aggregate outstanding principal amount of that series, by notice in writing to us (and to the trustee if given by such holders), may declare the principal of all senior debt securities of that series due and payable immediately, but the holders of a majority in aggregate outstanding principal amount of such series may rescind such declaration and waive the default if the default has been cured and a sum sufficient to pay all matured installments of interest and principal (and premium, if any) has been deposited with the trustee before any judgment or decree for such payment has been obtained or entered.

Holders of senior debt securities may not enforce the indenture except as provided therein. Subject to the provisions of the indenture relating to the duties of the trustee, if an Event of Default occurs and is continuing the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any holders of the affected series, unless, among other things, the holders shall have offered the trustee indemnity reasonably satisfactory to it. Subject to the indemnification provisions and certain limitations contained in the indenture, the holders of a majority in aggregate principal amount of the senior debt securities of such series then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to such series. The holders of a majority in aggregate principal amount of the then outstanding senior debt securities of any series affected by a default may, in certain cases, waive such default except a default in payment of principal of, or any premium, if any, or interest on, the debt securities of that series or a call for redemption of the debt securities of that series.

We will be required to furnish to the trustee annually a statement regarding our performance of certain of our obligations under the

indenture.

## **Discharge and Defeasance**

We may discharge our obligations with respect to any series of our senior debt securities outstanding under the indenture, including the notes, subject to certain exceptions, if at any time:

- (1) we deliver to the trustee for cancellation all outstanding senior debt securities of that series and for which payment in moneys or U.S. government obligations has been deposited in trust by us, or
- (2) all outstanding senior debt securities of that series not previously delivered to the trustee for cancellation by us shall have become due and payable or are to become due and payable or called for redemption within one year and we have deposited with the trustee the entire amount in moneys or U.S. government obligations sufficient, without reinvestment, to pay at maturity or upon redemption the outstanding senior debt securities, including principal (and premium, if any) and interest due or to become due to the date of maturity or redemption, and if we shall also pay or cause to be paid all other sums payable thereunder with respect to that series.

## **Modification of the Indenture**

The indenture contains provisions permitting us, when authorized by a board resolution, and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the senior debt securities of any series at the time outstanding and affected by such modification, including the notes, to modify the indenture or any supplemental indenture affecting that series. However, no such modification may:

- (1) extend the fixed maturity of any senior debt securities of any series, reduce the principal amount thereof, reduce the rate or extend the time of payment of interest thereon or reduce any premium payable upon the redemption thereof, without the consent of the holder of each debt security so affected, or
- (2) reduce the aforesaid percentage of senior debt securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holder of each senior debt security then outstanding and affected thereby.

CenturyTel and the trustee may execute, without the consent of any holder of senior debt securities, including the notes, a supplemental indenture for certain other usual purposes, including the following:

- creating a new series of senior debt securities;
- evidencing the assumption by any successor to CenturyTel of our obligations under the indenture;
- adding covenants to the indenture for the protection of the holders of senior debt securities;
- curing any ambiguity or inconsistency in the indenture, or making other provisions as shall not adversely affect the interests of the holders of the senior debt securities of any series; or
- changing or eliminating any provisions of the indenture provided that there is no outstanding senior debt security of any series created prior to such change that benefits therefrom.

## **Form, Registration and Transfer**

The outstanding notes have been and the exchange notes will be issued in fully registered form. The trustee will act as the registrar of the notes. No service charge will be made for any registration of transfer or exchange of notes, or issue of new notes in the event of a partial redemption, but we may generally require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

## **Payment and Paying Agents**

Payment of principal of, or premium, if any, and interest on the notes will be made in U.S. dollars at the principal office of our paying agent or, at our option, by check in U.S. dollars mailed or delivered to the person in whose name such exchange note is registered. Subject to

certain exceptions provided for in the indenture, payment of any installment of interest on the notes will be made to the person in whose name such exchange note is registered at the close of business on the record date established under the indenture for the payment of interest.

The trustee acts as our sole paying agent and 1500 North 18th Street, Monroe, Louisiana, is designated as the agent's office for purposes of payments with respect to the notes. We may at any time designate additional paying agents or rescind the designation of any paying agents or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in the Borough of Manhattan, City and State of New York, or Monroe, Louisiana.

Any money set aside by us for the payment of principal of, or premium, if any, or interest on any exchange note that remains unclaimed two years after such payment has become due and payable will be repaid to us on May 31 following the expiration of the two-year period and the holder of the exchange note may thereafter look only to us for payment thereof.

### **Replacement of Notes**

We will replace any note that becomes mutilated, destroyed, lost or stolen at the expense of the holder. The holder should deliver the note or satisfactory evidence of the destruction, loss or theft thereof to us and the trustee. An indemnity satisfactory to us and the trustee may be required before a replacement security will be issued.

### **Concerning the Trustee**

The trustee, prior to the occurrence of an Event of Default, undertakes to perform only such duties as are specifically set forth in the indenture and, after the occurrence of an Event of Default, will exercise the same degree of care as a prudent person would exercise in the conduct of such person's own affairs. Subject to such provision, the trustee is not required to exercise any of the rights or powers vested in it by the indenture at the request, order or direction of any note holders, unless offered reasonable security or indemnity by such holders against the costs, expenses and liabilities which might be incurred thereby. The trustee is not required to expend or risk its own funds or incur personal financial liability in the performance of its duties if the trustee reasonably believes that repayment of such funds or liability or adequate indemnity is not reasonably assured to it. We will pay the trustee reasonable compensation and reimburse it for reasonable expenses incurred in accordance with the indenture.

The trustee may resign with respect to the notes and a successor trustee may be appointed to act with respect to the notes.

Regions Bank is trustee under the indenture relating to our Series A, B, C, D, E, F, G, H, I, J, K and L senior debt securities. Regions Bank also serves as trustee for one of our employee benefit plans and provides revolving credit and other traditional banking services to CenturyTel.

### **Governing Law**

The notes and the indenture are governed by, and construed in accordance with, the laws of the State of Louisiana.

### **Global Notes and Book-Entry System**

The exchange notes will be in book-entry form, will be represented by a single, permanent global certificate in fully registered form without interest coupons and will be deposited with the trustee as custodian for DTC and registered in the name of Cede & Co. or another nominee designated by DTC.

We will issue exchange notes in certificated form (the "certificated notes") to DTC for owners of beneficial interests in a global note if:

- DTC notifies us that it is unwilling or unable to continue as depository and we are unable to locate a qualified successor within 90 days or if at any time DTC, or any successor depository, ceases to be a "clearing agency" under the Exchange Act;
- an Event of Default relating to the exchange notes occurs; or
- we decide in our sole discretion to terminate the use of the book-entry system for the exchange notes through DTC.

DTC has advised us as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of The New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a



number of its Direct Participants and by The New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others like securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the SEC.

Purchases of global notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the global notes on DTC's records. The beneficial interest of each actual purchaser of each global note (a "Beneficial Owner") is in turn to be recorded on the records of the respective Direct Participant and Indirect Participant. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the global notes are to be effected by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in global notes, except in the event that use of the book-entry system for the global notes is discontinued.

To facilitate subsequent transfers, all global notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or any other name as may be requested by an authorized representative of DTC. The deposit of global notes with DTC and their registration in the name of Cede & Co. or any other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the global notes; DTC's records reflect only the identity of the Direct Participants to whose accounts those global notes are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Payments of the principal of, premium, if any, and interest and additional interest, if any, on the exchange notes represented by the global notes registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owners and holder of the global notes.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (or any other nominee of DTC) will consent or vote with respect to the global notes. Under its usual procedures, DTC mails an Omnibus Proxy to us as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the global notes are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal, premium, if any, and interest payments in respect of the global notes will be made to Cede & Co. or any other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from us or the trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of each such Direct or Indirect Participant and not that of DTC, the trustee or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium, if any, and interest payments in respect of the global notes to Cede & Co. (or other nominee requested by an authorized representative of DTC) is our responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

The laws of some states require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests in a global note to those persons may be limited. In addition, because DTC can act only on behalf of Direct Participants, which, in turn, act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a global note to pledge that interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of that interest, may be affected by the lack of a physical certificate evidencing that interest.

## **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

The following general discussion of certain U.S. federal income tax considerations relating to the exchange notes applies to you if you acquired the outstanding notes at the original issue price within the meaning of Section 1273 of the Internal Revenue Code of 1986 and hold or will hold the notes as a "capital asset" within the meaning of Section 1221 of the Code. This discussion is based on the Internal Revenue Code of 1986, Treasury Regulations promulgated thereunder, administrative positions of the Internal Revenue Service and judicial decisions now in effect, all of which are subject to change (possibly with retroactive effect) or to different interpretations.

We have not sought a ruling from the IRS with respect to the U.S. federal income tax consequences of the exchange offer or the acquiring, holding or disposing of an exchange note. There can be no assurance that the IRS will not challenge one or more of the conclusions described herein.

This discussion does not purport to deal with all aspects of U.S. federal income taxation that may be relevant to a particular holder in light of the holder's circumstances (such as a person subject to the alternative minimum tax provisions of the Code). In addition, it is not intended to be wholly applicable to all categories of investors, some of which (like dealers in securities, banks, insurance companies, tax-exempt organizations, persons holding a note as part of a "straddle," hedge, "conversion transaction" or other risk reduction transaction and

persons who have a "functional currency" other than the U.S. dollar) may be subject to special rules.

This discussion does not address any aspect of state, local or foreign law, or U.S. federal estate and gift tax law nor does it address exchange notes held through a partnership or other pass-through entity.

**We advise you to consult with your tax advisers regarding the federal, state, local and foreign tax consequences of acquiring, holding and disposing of the exchange notes in light of your own particular circumstances.**

The following general discussion is limited to certain United States federal income tax consequences to a holder of an exchange note that is a "U.S. Holder." For purposes of this discussion, a "U.S. Holder" is a beneficial owner of an exchange note that for U.S. federal income tax purposes is:

- a citizen or resident of the Code of the United States;
- a corporation (or an entity treated as a corporation) created or organized in or under the laws of the United States, any state or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

### **Taxation of Stated Interest on the Exchange Notes**

Generally, payments of stated interest on an exchange note will be includible in a holder's gross income and taxable as ordinary income for U.S. federal income tax purposes at the time such interest is paid or accrued in accordance with the holder's regular method of tax accounting.

### **Sale, Exchange or Retirement of an Exchange Note**

Each holder generally will recognize capital gain or loss upon a sale, exchange or retirement of an exchange note measured by the difference, if any, between (i) the amount of cash and the fair market value of any property received (except to the extent that the cash or other property received in respect of an exchange note is attributable to the payment of accrued interest on the exchange note not previously included in income, which amount will be taxable as ordinary income) and (ii) the holder's adjusted tax basis in the exchange note. The gain or loss will be long-term capital gain or loss if the exchange note has been held for more than one year at the time of the sale, exchange or retirement. A holder's initial basis in an exchange note generally will be the amount paid for the exchange note.

Prospective investors will be aware that the resale of an exchange note may be affected by the "market discount" rules of the Code, under which a portion of any gain realized on the retirement or other disposition of an exchange note by a subsequent holder that acquires the exchange note at a market discount generally would be treated as ordinary income to the extent of the market discount that accrues while that holder holds the exchange note.

### **Exchange Offer**

Because the exchange notes should not differ materially in kind or extent from the outstanding notes, your exchange of outstanding notes for exchange notes should not constitute a taxable disposition of the outstanding notes for U.S. federal income tax purposes. As a result, you should not recognize taxable income, gain or loss on such exchange, your holding period for the exchange notes should generally include the holding period for the notes so exchanged, and your adjusted tax basis in the exchange notes should generally be the same as your adjusted tax basis in the notes so exchanged.

### **Information Reporting and Backup Withholding**

A holder of an exchange note may be subject, under certain circumstances, to information reporting and "backup withholding" at a rate of 30% with respect to certain "reportable payments," including interest on or principal (and premium, if any) of a note and the gross proceeds from a disposition of an exchange note. The backup withholding rules apply if the holder, among other things, (i) fails to furnish a social security number or other taxpayer identification number ("TIN") certified under penalties of perjury within a reasonable time after the request therefor, (ii) furnishes an incorrect TIN, (iii) fails to properly report the receipt of interest or dividends or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN furnished is the correct number and that the holder is not subject to backup withholding. A holder who does not provide us with its correct TIN also may be subject to penalties imposed by the IRS. Backup withholding will not apply with respect to payments made to certain holders, including corporations and tax-exempt organizations, provided

their exemptions from backup withholding are properly established. We will report annually to the IRS and to each holder of an exchange note the amount of any "reportable payments" and the amount of tax withheld, if any, with respect to those payments.

Any amounts withheld under the backup withholding rules from a payment to a holder will be allowed as a refund or as a credit against that holder's U.S. federal income tax liability, provided the requisite procedures are followed.

## **PLAN OF DISTRIBUTION**

Each broker-dealer that receives exchange notes for its own account under the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer for resales of exchange notes received in exchange for outstanding notes that had been acquired as a result of market-making or other trading activities. We have agreed that, for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as it may be amended or supplemented, available to any broker-dealer for use in connection with any such resale. Any broker-dealers required to use this prospectus and any amendments or supplements to this prospectus for resales of the exchange notes must notify us of this fact by checking the box on the letter of transmittal requesting additional copies of these documents.

Notwithstanding the foregoing, we are entitled under the registration rights agreement to suspend the use of this prospectus by broker-dealers under specified circumstances. For example, we may suspend the use of this prospectus if:

- the SEC or any state securities authority requests an amendment or supplement to this prospectus or the related registration statement or additional information;
- the SEC or any state securities authority issues any stop order suspending the effectiveness of the registration statement or initiates proceedings for that purpose;
- we receive notification of the suspension of the qualification of the exchange notes for sale in any jurisdiction or the initiation or threatening of any proceeding for that purpose;
- the suspension is required by law;
- we determine that an amendment to the registration statement is appropriate; or
- an event occurs or we discover any fact or condition that makes any statement in this prospectus untrue in any material respect or which constitutes an omission to state a material fact in this prospectus.

If we suspend the use of this prospectus, the 180-day period referred to above will be extended by the number of days equal to the period of the suspension.

We will not receive any proceeds from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own account under the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on those exchange notes or a combination of those methods, at market prices prevailing at the time of resale, at prices related to prevailing market prices or at negotiated prices. Any resales may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from the selling broker-dealer or the purchasers of the exchange notes. Any broker-dealer that resells exchange notes received by it for its own account under the exchange offer and any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any resale of exchange notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offer other than commissions and concessions of any broker or dealer and will indemnify holders of the exchange notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act or contribute to payments that they may be required to make in request thereof.

## **LEGAL MATTERS**

The validity of the exchange notes have been passed upon for CenturyTel by Jones, Walker, Waechter, Poitevent, Carrère & Denégre, L.L.P., New Orleans, Louisiana.

## EXPERTS

The consolidated financial statements and related financial statement schedules of CenturyTel, Inc. and subsidiaries as of December 31, 2001 and 2000, and for each of the years in the three-year period ended December 31, 2001, included in CenturyTel, Inc.'s current report on Form 8-K dated March 19, 2002 and filed with the SEC on August 13, 2002, have been incorporated by reference herein and in the Registration Statement, in reliance upon the reports of KPMG LLP, independent accountants, also incorporated by reference herein and in the Registration Statement, and upon the authority of said firm as experts in accounting and auditing.

The special purpose financial statements of Verizon's Alabama Operations and Verizon's Missouri Operations as of December 31, 2001, and for year then ended included in CenturyTel, Inc.'s current report on Form 8-K dated August 1, 2002 filed on August 13, 2002, and August 31, 2002 and filed with the SEC on October 8, 2002, have been incorporated by reference herein and in the registration statement in reliance upon the reports of Ernst & Young LLP, independent accountants, also incorporated by reference herein and in the registration statement, and upon the authority of such firm as experts in accounting and auditing.

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[CenturyTel, Inc.'s Logo  
Here]

**Offer to Exchange**  
**\$500,000,000 Registered 7.875% Senior Notes, Series L, due 2012**  
**for**  
**All Outstanding Unregistered 7.875% Senior Notes, Series L, Due 2012**

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## PROSPECTUS

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October [ ], 2002

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## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 20. Indemnification of Directors and Officers.

Section 83 of the Louisiana Business Corporation Law provides in part that we may indemnify any of our directors, officers, employees or agents against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him

in connection with any action, suit or proceeding to which he is or was a party or is threatened to be made a party (including any action by us or in our right) if such action arises out of his acts on our behalf and he acted in good faith not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. We have the power to obtain and maintain insurance, or to create a form of self-insurance, on behalf of any person who is or was acting for us, regardless of whether we have the legal authority to indemnify the insured person against such liability.

Article II, Section 10 of our by-laws (the "indemnification by-law") provides for mandatory indemnification for our current or former directors and officers to the fullest extent permitted by Louisiana law.

Our articles of incorporation authorize us to enter into contracts with directors and officers providing for indemnification to the fullest extent permitted by law. We have entered into indemnification contracts providing contracting directors or officers the procedural and substantive rights to indemnification currently set forth in the indemnification by-law ("indemnification contracts"). The right to indemnification provided by an indemnification contract applies to all covered claims, whether such claims arose before or after the effective date of the contract.

We maintain an insurance policy covering the liability of our directors and officers for actions taken in their official capacity. The indemnification contracts provide that, to the extent insurance is reasonably available, we will maintain comparable insurance coverage for each contracting party as long as he serves as an officer or director and thereafter for so long as he is subject to possible personal liability for actions taken in such capacities. The indemnification contracts also provide that if we do not maintain comparable insurance, we will hold harmless and indemnify a contracting party to the full extent of the coverage that would otherwise have been provided for his benefit.

#### **Item 21. Exhibits and Financial Statement Schedules.**

(a) Exhibits

The exhibits to this registration statement are listed in the exhibit index, which appears elsewhere herein and is incorporated herein by reference.

(b) Financial Statement Schedules

None.

#### **Item 22. Undertakings.**

(a) The undersigned registrant hereby undertakes:

- (1) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.
- (2) To supply by means of a post-effective amendment all information concerning a transaction, and CenturyTel being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.
- (3) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer, or controlling person of the registrants in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, CenturyTel, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-4 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Louisiana, on October 9, 2002.

CenturyTel, Inc.

By: /s/ Glen F. Post, III  
Glen F. Post, III  
Chairman of the Board of  
Directors and Chief Executive Officer

## POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Glen F. Post, III, R. Stewart Ewing, Jr. and Harvey P. Perry, or any of them, with full power of substitution and full power to act without the other, his true and lawful attorney-in-fact and agent to act for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any related registration statement filed pursuant to Rule 462(b) under the Securities Act, and to file this registration statement, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in order to effectuate the same as fully, to all intents and purposes, as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Glen F. Post, III</u> Glen F. Post, III	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	October 9, 2002
<u>/s/ R. Stewart Ewing, Jr.</u> R. Stewart Ewing, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	October 9, 2002
<u>/s/Neil A. Sweasy</u> Neil A. Sweasy	Vice President and Controller (Principal Accounting Officer)	October 9, 2002
<u>/s/ Harvey P. Perry</u> Harvey P. Perry	Director	October 9 2002
<u>Jim D. Reppond</u>	Director	October 9 2002
<u>/s/William R. Boles, Jr.</u>	Director	October 9, 2002

<u>/s/Ernest Butler, Jr.</u> Ernest Butler, Jr.	Director	October 9 2002
<u>/s/Calvin Czeschin</u> Calvin Czeschin	Director	October 9, 2002
<u>/s/James B. Gardner</u> James B. Gardner	Director	October 9, 2002
<u>/s/W. Bruce Hanks</u> W. Bruce Hanks	Director	October 9, 2002
<u>/s/R. L. Hargrove, Jr.</u> R. L. Hargrove, Jr.	Director	October 9, 2002
<u>/s/Johnny Hebert</u> Johnny Hebert	Director	October 9, 2002
<u>/s/F. Earl Hogan</u> F. Earl Hogan	Director	October 9, 2002
<u>/s/C. G. Melville, Jr.</u> C. G. Melville, Jr.	Director	October 9, 2002
<u>Virginia Boulet</u>	Director	October 9, 2002

Exhibit No.	Exhibit
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- 2.1 Asset Purchase Agreement, dated as of October 22, 2001, between GTE Midwest Incorporated (d/b/a Verizon Midwest) and CenturyTel of Missouri, LLC (incorporated by reference to Exhibit 2(a) of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
- 2.2 Asset Purchase Agreement, dated as of October 22, 2001, between Verizon South, Inc., Contel of the South, Inc. (d/b/a Verizon Mid-States) and CenturyTel of Alabama, LLC (incorporated by reference to Exhibit 2(b) of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
- 2.3 Stock Purchase Agreement, dated as of March 19, 2002, between CenturyTel, Inc. and Alltel Communications, Inc. (incorporated by reference to Exhibit 2.1 of CenturyTel's Current Report on Form 8-K filed with the SEC on March 22, 2002).

- 3.1 Amended and Restated Articles of Incorporation of CenturyTel, dated as of May 6, 1999 (incorporated by reference to Exhibit 3(i) to CenturyTel's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 3.2 By-laws of CenturyTel as amended through November 18, 1999 (incorporated by reference to Exhibit 3(ii) of CenturyTel's Annual Report on Form 10-K for the year ended December 31, 1999).
- 4.1 Indenture dated as of March 31, 1994 between CenturyTel and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), as Trustee (incorporated by reference to Exhibit 4.1 of CenturyTel's registration statement on Form S-3, File No. 33-52915).
- 4.2 Board resolutions designating the terms and conditions of the notes described herein.\*
- 4.3 Form of the notes described herein (included within Exhibit 4.2).\*
- 4.4 Exchange and Registration Rights Agreement dated as of August 26, 2002 by and among CenturyTel and Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc., as representatives of the initial purchasers named therein.\*
- 5.1 Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denégre, L.L.P.\*
- 12.1 Statement regarding computation of ratio of earnings to fixed charges.\*
- 23.1 Consent of KPMG LLP.\*
- 23.2 Consent of Ernst & Young LLP.\*
- 23.3 Consent of Jones Walker, Waechter, Poitevent, Carrère & Denégre, L.L.P. (included in Exhibit 5.1).
- 24.1 Power of Attorney with respect to directors of CenturyTel, Inc. (included on the signature pages of this registration statement filed on October 10, 2002).
- 25.1 Statement of Eligibility of Trustee on Form T-1.\*
- 99.1 Form of letter of transmittal to be used in connection with the exchange offer described herein.\*
- 99.2 Form of notice of guaranteed delivery to be used in connection with the exchange offer described herein.\*

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\* Filed herewith.

**Exhibit 4.2**  
**to Registration Statement**

**RESOLUTIONS ADOPTED BY THE SPECIAL  
PRICING COMMITTEE OF THE BOARD OF DIRECTORS OF  
CENTURYTEL, INC.**

August 20, 2002

**WHEREAS**, the Board of Directors of CenturyTel, Inc. (the "Company") has previously authorized the Special Pricing Committee of the Board of Directors to establish the specific terms and conditions of securities of the Company to be issued and sold from time to time;

**WHEREAS**, the Special Pricing Committee, acting pursuant to such authorization, and after a presentation by and discussion with the management of the Company, deems it desirable and in the best interests of the Company and its shareholders to authorize the private placement to the initial purchasers specified at this meeting of (i) \$150 million aggregate principal amount of 4.75% Convertible Senior Debentures, Series K, due 2032 (the "Convertible Debentures"), including an option permitting the initial purchasers of the Convertible Debentures to purchase up to an additional \$15 million aggregate principal amount of Convertible Debentures, and (ii) \$500 million aggregate principal amount of 7.875% Senior Notes, Series L, due 2012 (the "Senior Notes"), each to be issued by the Company under the terms and provisions of an indenture between the Company and Regions Bank, as trustee (the "Trustee"), dated as of March 31, 1994 (as supplemented through and including the proposed Second Supplemental Indenture to be dated as of the date of this meeting, the "Indenture"); and



**WHEREAS**, the Special Pricing Committee, in connection with the issuance and sale of the Convertible Debentures and the Senior Notes (collectively, the "Securities"), deems it desirable and in the best interests of the Company and its shareholders to, among other things, (i) establish the terms of the Convertible Debentures by means of authorizing the Company to execute and deliver the above-referenced Second Supplemental Indenture (the "Supplemental Indenture"), (ii) establish the terms of the Senior Notes by means of adopting the Board Resolutions appearing below, (iii) execute and deliver (A) a Purchase Agreement (the "Debenture Purchase Agreement") by and among the Company and Banc of America Securities LLC, J. P. Morgan Securities Inc. and Wachovia Securities, Inc. (the "Debenture Purchasers"), (B) a Purchase Agreement (the "Note Purchase Agreement" and, together with the Debenture Purchase Agreement, the "Purchase Agreements") by and among the Company and Banc of America Securities LLC, J. P. Morgan Securities Inc. and Wachovia Securities, Inc., as representatives of the several initial purchasers named in Schedule I thereto (collectively, the "Note Purchasers" and, together with the Debenture Purchasers, the "Initial Purchasers"), (C) a Registration Rights Agreement by and among the Company and the Debentures Purchasers (the "Debenture Registration Rights Agreement"), (D) an Exchange and Registration Rights Agreement by and among the Company and the Note Purchasers (the "Note Registration Rights Agreement" and, together with the Debenture Registration Rights Agreement, the "Registration Rights Agreements"), and (E) the Supplemental Indenture, each as presented to the Special Pricing Committee, (iv) prepare, execute and deliver the applicable global certificates representing the Securities, (v) execute and deliver any instruments necessary to ensure that such certificates shall be duly authenticated in the manner contemplated under the Indenture, (vi) prepare and deliver to the Initial Purchasers an offering memorandum with respect to each of the Convertible Debentures and the Senior Notes, (vii) prepare, deliver, execute and file with the Securities and Exchange Commission (the "Commission") an exchange offer registration statement with respect to an exchange offer of the Senior Notes, and a shelf registration statement with respect to resales of the Senior Notes or the Convertible Debentures (and the Common Stock (as defined below) issuable upon conversion thereof), all on the terms and conditions of the Registration Rights Agreements, (viii) take all necessary or appropriate action to list the Company's common stock, par value \$1.00 per share (the "Common Stock"), issuable upon conversion of the Convertible Debentures, on the New York Stock Exchange (the "NYSE"), (ix) execute and deliver to The Depository Trust Company ("DTC") any necessary letter of representations, or riders thereto, relating to the Securities, (x) take such action as may be necessary to enable the Convertible Debentures to trade in the Private Offerings, Resales and Trading through Automatic Linkages Market (the "PORTAL Market"), and (xi) reserve, issue and deliver the relevant number of shares of Common Stock issuable upon conversion of the Convertible Debentures (the "Issuable Common Stock").

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

**I. AUTHORIZATION OF TERMS OF CONVERTIBLE DEBENTURES**

**RESOLVED THAT:**

The Company shall create and issue up to \$165,000,000 aggregate principal amount of its senior debt securities, designated as the "CenturyTel, Inc. 4.75% Convertible Senior Debentures, Series K, due 2032" (the "Convertible Debentures"), to be issued in accordance with the Indenture, all on the terms and conditions set forth in the Supplemental Indenture and the other agreements authorized by these resolutions.

**II. AUTHORIZATION OF TERMS OF SENIOR NOTES**

**RESOLVED THAT:**

The Company shall create and issue \$500,000,000 aggregate principal amount of its senior debt securities, designated as the "CenturyTel, Inc. 7.875% Senior Notes, Series L, due 2012" (the "Senior Notes," which term shall include the Private Notes, the Private Exchange Notes and the Exchange Notes (each as defined herein), unless the context otherwise requires), to be issued in accordance with the Indenture, all on the terms and conditions set forth below (with capitalized terms used herein and not otherwise defined having the meanings set forth in the Indenture):

**1. Maturity, Denominations, Payment and Redemption of the Senior Notes .**

- (a) The Senior Notes will mature and the principal shall be due and payable together with all accrued and unpaid interest thereon on August 15, 2012 unless redeemed or repaid prior to that date as described herein. The Senior Notes will be issued only in fully registered form without coupons as set forth herein in denominations of \$1,000 and integral multiples of \$1,000.
- (b) The Senior Notes shall bear interest from August 26, 2002 until the principal thereof becomes due and payable at the rate of 7.875% per annum, computed on the basis of a 360-day year comprised of twelve 30-day months, payable semi-annually in arrears on February 15 and August 15 of each year, commencing February 15, 2003, and any overdue principal and (to the extent that the payment of such interest is enforceable under applicable law) any overdue installment of interest thereon shall bear interest at the same rate per annum. If the Company does not comply with certain of its obligations under the Note Registration Rights Agreement, the Private Notes and the Private Exchange Notes shall, in accordance with Section 2(e) of the Note Registration Rights Agreement, bear additional interest ("Additional Interest") in addition to interest provided for in the prior sentence of this paragraph. For purposes of these resolutions, the form of Senior Notes contained herein and the Indenture as it relates to the Senior Notes, the term "interest" shall be deemed to include interest provided for in the first sentence of this paragraph 1(b) and Additional Interest, if any. The principal of and the interest on the Senior Notes shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at any one or more offices or agencies of the Company maintained for such purpose in accordance with the Indenture. The regular record date with respect to any interest payment date for the Senior Notes shall be February 1 or August 1, as the case may be, immediately preceding such interest payment date, whether or not such

date is a Business Day. Interest will be paid to the persons in whose name the Senior Notes are registered at the close of business on such record dates. If any Interest Payment Date, any date or dates on which the principal of the Senior Notes has been declared payable pursuant to the Indenture (each, a "Maturity Date") or any date for redemption of all or any portion of the Senior Notes fixed pursuant to Section 3.02 of the Indenture (each, a "Redemption Date") falls on a day that is not a Business Day, the required payment of principal, premium, if any, and interest will be made on the next succeeding Business Day as if made on the date that the payment was due, and no interest will accrue on the amount so payable for the period from and after the Interest Payment Date, Maturity Date, or Redemption Date, as the case may be, to the date of that payment on the next succeeding Business Day.

(c) The Company may redeem, at its option at any time, Senior Notes, as a whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of such Senior Notes to be redeemed or (ii) the sum of the present values of the Remaining Scheduled Payments (as hereinafter defined) on the Senior Notes to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate (as hereinafter defined) plus 35 basis points, together in all cases with accrued and unpaid interest (if any) on the principal amount being redeemed to the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("Remaining Life") of the Senior Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Senior Notes.

"Comparable Treasury Price" means, with respect to any redemption date for the Senior Notes: (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Company from time to time.

"Reference Treasury Dealer" means each of Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc., and their respective successors, and one other firm that is a primary U.S. Government securities dealer (each, a "Primary Treasury Dealer") which the Company specifies from time to time; *provided, however*, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third business day preceding such redemption date.

"Remaining Scheduled Payments" means the remaining scheduled payments of the principal of the Senior Notes to be redeemed and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that if such redemption date is not an interest payment date with respect to such Senior Notes, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the Senior Notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Notice of redemption shall be mailed at least 30 but not more than 60 days before the redemption date to each holder of record (each, a "Holder") of the Senior Notes to be redeemed at its registered address. The notice of redemption for the Senior Notes shall state, among other things, the amount of Senior Notes to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of Senior Notes to be redeemed. Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on any Senior Notes that have been called for redemption at the redemption date.

If the Company chooses to redeem less than all of the Senior Notes, it shall notify the Trustee at least 45 days before giving notice of redemption, or such shorter period as is satisfactory to the Trustee, of the aggregate principal amount of Senior Notes to be redeemed and the redemption date. The Trustee shall select by lot, or in such other manner it deems fair and appropriate, the Senior Notes to be redeemed in part.

If the Company has given notice as provided in the Indenture and in these resolutions, and funds for the redemption of any Senior Notes (or any portion thereof) called for redemption shall have been made available on the redemption date referred to in such notice, such Senior Notes (or any portion thereof) will cease to bear interest on that redemption date and the only right of the Holders of those Senior Notes will be to receive payment of the redemption price.

**2. Exchange Notes** . Pursuant to the Note Registration Rights Agreement, the Senior Notes that are issued without registration (the "Private Notes ") under the Securities Act of 1933 (the "Securities Act") may be exchanged for Senior Notes that will be registered under the Securities Act and that will otherwise have substantially the same terms as the Private Notes (the "Exchange Notes") or, pursuant to Section 2(a) of the Note Registration Rights Agreement, may be exchanged for Senior Notes with terms identical to the Exchange Notes (the "Private Exchange Notes"), except that the Private Exchange Notes shall be subject to transfer restrictions, shall bear a legend relating to restrictions identical to those applicable to the Private Notes and shall provide for the payment of Additional Interest. Under certain circumstances described in the Note Registration Rights Agreement, the Company has agreed to file a shelf registration for the resale of the Senior Notes. The Private Notes will be offered and sold in reliance on an exemption from the Securities Act, and Private Notes will be exchanged for Exchange Notes only pursuant to an effective registration statement under the Securities Act and in accordance with the Note Registration Rights Agreement. Except as provided in the Note Registration Rights Agreement, nothing in the Indenture, the Senior Notes or these resolutions shall be construed to require the Company to register any Senior Notes under the Securities Act, or to make any transfer of such Senior Notes in violation of applicable law. The Private Notes, the Exchange Notes and the Private Exchange Notes (if any) shall vote and consent together on all matters as a single class and shall constitute a single series of senior debt securities issued under the Indenture.

**3. Sinking Fund** . The Senior Notes shall not be subject to, or have the benefit of, a sinking fund.

**4. Specific Global and Certificated Note Forms** .

(a) Except as otherwise provided herein, Private Notes and Private Exchange Notes shall be issued in the form of one or more restricted global notes (each, a "Restricted Global Note") which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York ("DTC"), substantially in the form set forth in Article III of these resolutions, with such applicable legends as are provided for herein and in such form. Unless exchanged for an Exchange Note in connection with an effective registration pursuant to the Note Registration Rights Agreement, or transferred pursuant to an effective Shelf Registration Statement (as defined in the Note Registration Rights Agreement), each Restricted Global Note shall bear the Restrictive Legend (as defined herein) set forth on the face thereof, prior to the later of (x) two years (or such shorter period of time as permitted by Rule 144(k) of the Securities Act after the later of the original issue date of the Senior Notes and the last date on which the Company or any "affiliate" (as defined in Rule 144 under the Securities Act) of the Company was the owner of such Senior Note (or any predecessor of such Senior Note) or (y) such later date, if any, as may be required by applicable law (the "Resale Restriction Termination Date"). After the Resale Restriction Termination Date, any Senior Notes then outstanding shall be issued in the form of one or more unrestricted global notes (each, an "Unrestricted Global Note" and, together with Restricted Global Notes, "Global Notes") which will be deposited with, or on behalf of, DTC, substantially in the form set forth in Article III of these resolutions, with such applicable legends as are provided for herein and in such form. Exchange Notes shall be issued in the form of one or more Unrestricted Global Notes, which will be deposited with, or on behalf of, DTC, substantially in the form set forth in Article III of these resolutions, with such applicable legends as are provided for herein and in such form. Global Notes shall be registered in the name of Cede & Co. or another nominee designated by DTC and delivered to the Trustee, as custodian for DTC, as duly executed by the Company and authenticated by the Trustee as provided in the Indenture. The aggregate principal amount of any Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as custodian for DTC for such Global Note. The "Depository" for the Global Notes shall be DTC or such other person as shall be designated by the Company as Depository for the Company.

(b) The Global Notes may only be transferred, in whole and not in part, to another nominee of DTC or to a successor of DTC or its nominee, unless the Senior Notes are subsequently issued in definitive, certificated form in the limited circumstances described in paragraph 4(c) of this Article II. So long as a nominee of DTC is a registered owner of the Global Notes, such nominee will be considered the sole owner or holder of the Global Notes for all purposes under the Indenture. Interests of beneficial owners in any Global Note may be transferred in accordance with the rules and procedures of DTC and the legends, including any Restrictive Legend set forth, on such Global Note, in each case, consistent with applicable law. Except as provided in paragraph 4(c) of this Article II, owners of beneficial interests will not be entitled to have Global Notes registered in their names, will not receive or be entitled to receive physical delivery of Global Notes in definitive form and will not be considered the owners or holders thereof under the Indenture.

(c) The Company shall issue Senior Notes in definitive, certificated form substantially in the form set forth in Article III of these resolutions (the "Certificated Notes") to DTC for owners of beneficial interests in a Global Note if:

- DTC notifies the Company that it is unwilling or unable to continue as the Depository and the Company is unable to locate a qualified successor within 90 days or if at any time DTC, or any successor depository, ceases to be a "Clearing Agency" under the Securities Exchange Act of 1934, as amended;
- an Event of Default relating to the Senior Notes occurs; or

- the Company decides, in its sole discretion, to terminate the use of the book-entry system for the Senior Notes through DTC.

In any such instance, an owner of a beneficial interest in the Global Notes will be entitled to have Senior Notes equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such Senior Notes in the form of Certificated Notes with any such legends as shall have been set forth on such Global Notes at such time, except such legends as related to the Senior Notes being held in book-entry form.

## **5. Special Transfer and Exchange Provisions .**

- (a) Unless and until a Senior Note held in the form of an interest in a Restricted Global Note is exchanged for an Unrestricted Global Note, any proposed transfer or exchange of an interest in a Restricted Global Note may be effected only through the book entry system maintained by the Depositary and consistent with the Restrictive Legend set forth on such Restricted Global Note, in each case consistent with applicable law.
- (b) With respect to any transfer or exchange of interests in the Unrestricted Global Note, the Depositary or the Security Registrar shall register the transfer or exchange of any interest in such Unrestricted Global Note without requiring any additional certification.
- (c) Upon the transfer, exchange or replacement of Senior Notes that do not bear a Restrictive Legend (as defined below), the Security Registrar shall deliver Senior Notes that do not bear any Restrictive Legend. Upon the transfer, exchange or replacement of Senior Notes bearing a legend or legends restricting the transfer of the Senior Note, substantially in the form set forth in Article III of these resolutions (such legend or legends, collectively, a "Restrictive Legend"), the Security Registrar shall deliver only Senior Notes that bear such Restrictive Legend, unless (i) Exchange Notes are being issued in the Exchange Offer, (ii) Senior Notes are being transferred pursuant to an effective Shelf Registration Statement (as defined in the Note Registration Rights Agreement), (iii) the Resale Restriction Termination Date has passed or (iv) the Company directs the Trustee to remove the Restrictive Legend because the Company determines, on the basis of a legal opinion, certifications or other information satisfactory to the Company and the Trustee, that neither such Restrictive Legend or the related restrictions on transfer are required under the Securities Act.
- (d) By its acceptance of any Senior Note bearing a Restrictive Legend, each Holder of such Senior Note acknowledges the restrictions on transfer or exchange of such Senior Note set forth in these resolutions and in such Restrictive Legend and agrees that it will transfer or exchange such Senior Note only as provided in these resolutions and such Restrictive Legend. The Security Registrar shall not register a transfer or exchange of any Senior Note unless such transfer or exchange complies with the restrictions on transfer or exchange of such Senior Note set forth in these resolutions. In connection with any transfer or exchange of Senior Notes contemplated in the restrictions on transfer applicable thereto, each Holder agrees by its acceptance of the Senior Notes to furnish the Security Registrar or the Company with such certifications, legal opinions or other information as either of them may reasonably require to confirm that such transfer or exchange is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Security Registrar shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certifications, legal opinions or other information.

**6. Future Issuances .** Additional senior debt securities with the same terms as the Senior Notes (except the issue price and the issue date) may be issued and sold by the Company without the consent of the holders of the Senior Notes in accordance with the Indenture so that such additional senior debt securities and the Senior Notes will constitute a single series under the Indenture.

## **III. AUTHORIZATION OF FORM OF SECURITIES**

### **RESOLVED THAT :**

- (1) the Convertible Debentures and the Trustee's Certificate of Authorization to be endorsed thereon are to be substantially in the form provided in the Supplemental Indenture; and
- (2) the Senior Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following form:

(FORM OF FACE OF SECURITY)

[If this is a Private Note or a Private Exchange Note, include the following legend]

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT UNTIL THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO THIS SECURITY SET FORTH IN RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR RULE) (A) THIS NOTE MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. THE COMPANY AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE, PRIOR TO ANY OFFER, TRANSFER OR SALE PURSUANT TO CLAUSE (II), THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER INFORMATION SATISFACTORY TO THE COMPANY AND THE TRUSTEE, AS THE CASE MAY BE.

[If this is a Global Note, include the following legend]

THIS SECURITY IS A GLOBAL SECURITY AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY IN DEFINITIVE REGISTERED FORM, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED IN THE NAME OF ANY PERSON OTHER THAN DTC OR ITS NOMINEE, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED ELSEWHERE HEREIN.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE COMPANY (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

[If this is a Private Note or a Private Exchange Note, include the following legend]

BY ITS ACCEPTANCE OF THE NOTES EVIDENCED HEREBY OR A BENEFICIAL INTEREST IN SUCH NOTES, THE HOLDER OF, AND ANY PERSON THAT ACQUIRES A BENEFICIAL INTEREST IN, SUCH NOTES AGREES TO BE BOUND BY THE PROVISIONS OF THE EXCHANGE AND REGISTRATION RIGHTS AGREEMENT DATED AS OF AUGUST 26, 2002 (THE "REGISTRATION RIGHTS AGREEMENT") AND RELATING TO THE REGISTRATION UNDER THE SECURITIES ACT OF NOTES EXCHANGEABLE FOR THE NOTES EVIDENCED HEREBY AND REGISTRATION OF THE NOTES EVIDENCED HEREBY.

No. \_\_\_\_\_

\$ \_\_\_\_\_  
CUSIP NO. [       ]

CENTURY TEL, INC.

7.875% Senior Notes, Series L, due 2012

CenturyTel, Inc., a corporation duly organized and existing under the laws of the State of Louisiana (herein referred to as the "Company"), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \$ \_\_\_\_\_ Dollars on August 15, 2012 (unless and to the extent earlier redeemed or repaid prior to such maturity date) and to pay interest on such principal sum from the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from August 26, 2002, semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2003, at the rate of 7.875% per annum until the principal hereof shall have become due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum [; provided, however, that if a Registration Default (as defined in the Registration Rights Agreement) occurs, Additional Interest (as defined in the Registration Rights Agreement) will accrue on this Security in accordance with Section 2(e) of the Registration Rights Agreement.] <sup>1</sup> The interest installment so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this Security (or one or more Predecessor Securities, as defined in such Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be February 1 or August 1, as the case may be (whether or not a Business Day), immediately preceding such interest payment date. Any such interest installment not so punctually

paid or duly provided for shall forthwith cease to be payable to the registered holder on such regular record date, and may be paid to the person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest which shall not be more than 15 or less than 10 days prior to the date of the proposed payment of such defaulted interest, notice of which shall be given to the registered holder or holders of this series of Security not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Security may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture hereinafter referred to. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of and the interest on this Security shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debt, at the office or agency of the Company maintained for that purpose in the City of Monroe and State of Louisiana, or the Borough of Manhattan, the City and State of New York. [Principal, premium, if any, and interest payable on any interest payment date will be paid to DTC with respect to this Security held for its account by Cede & Co. or a successor depository, as the case may be, for the purpose of permitting such party to credit the payment received by it in respect of this Security to the accounts of the beneficial owners hereof.] <sup>2</sup>

This Security shall not be entitled to any benefit under the Indenture hereinafter referred to, or be valid or become obligatory for any purpose, until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee. All terms used herein and not defined herein shall have the meanings ascribed thereto in the Indenture and the Board Resolution adopted August 20, 2002 establishing the Securities of this Series.

The provisions of this Security are continued on the following pages hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated:

C ENTURYTEL , I NC .

By: \_\_\_\_\_

[President/Vice President]

Attest:

By: \_\_\_\_\_

[Secretary/Assistant Secretary]

<sup>1</sup> Include this bracketed language if this is a Private Note or a Private Exchange Note.

<sup>2</sup> Include this bracketed language if this is a Global Note.

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the above-designated series therein referred to in the within-mentioned Indenture.

Regions Bank,  
as Trustee, Authenticating Agent and

Security Registrar

By \_\_\_\_\_  
Authorized Officer

(FORM OF ADDITIONAL TERMS OF SECURITY)

This Security is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), all issued or to be issued in one or more series under and pursuant to an Indenture dated as of March 31, 1994 duly executed and delivered between the Company and Regions Bank, an Alabama banking corporation organized and existing under the laws of the State of Alabama (as successor-in-interest to Regions Bank of Louisiana and First American Bank & Trust of Louisiana), as Trustee (herein referred to as the "Trustee") (such Indenture hereinafter referred to as the "Indenture"), to which Indenture reference is hereby made for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Securities. By the terms of the Indenture, the Securities are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Security is one of the series designated on the face hereof (herein called the "Series") initially issued in the aggregate principal amount of \$500,000,000. Nothing herein shall limit the Company's rights to issue additional Securities of this Series.

In case an Event of Default, as defined in the Indenture, with respect to the Series shall have occurred and be continuing, the principal of all of the Securities of the Series may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities; *provided, however*, that no such supplemental indenture shall (i) extend the fixed maturity of any Securities or any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Security so affected or (ii) reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security then Outstanding and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the holders of Securities of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Security and of any Security issued in exchange hereof or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times and place and at the rate and in the currency herein prescribed.

**Optional Redemption.** The Company may redeem, at its option at any time, the Securities of this Series, as a whole or in part, at a redemption price equal to the greater of (i) 100% of the principal amount of the Securities of this Series to be redeemed or (ii) the sum of the present values of the Remaining Scheduled Payments (as hereinafter defined) on the Securities of this Series to be redeemed, discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the then current Treasury Rate (as hereinafter defined) plus 35 basis points, together in all cases with accrued and unpaid interest (if any) on the principal amount being redeemed to the redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term ("Remaining Life") of the Securities of this Series to be

redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities of this Series.

"Comparable Treasury Price" means, with respect to any redemption date for the Securities of this Series: (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Company from time to time.

"Reference Treasury Dealer" means each of Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc., and their respective successors, and one other firm that is a primary U.S. Government securities dealer (each, a "Primary Treasury Dealer") which the Company specifies from time to time; *provided, however*, that if any of the foregoing shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York time, on the third business day preceding such redemption date.

"Remaining Scheduled Payments" means the remaining scheduled payments of the principal of the Securities of this Series to be redeemed and interest thereon that would be due after the related redemption date but for such redemption; *provided, however*, that if such redemption date is not an interest payment date with respect to the Securities of this Series, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to such redemption date.

"Treasury Rate" means, with respect to any redemption date, the rate per year equal to: (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue; provided that, if no maturity is within three months before or after the Remaining Life of the Securities of this Series to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from those yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date. The Treasury Rate shall be calculated on the third business day preceding the redemption date.

Notice of redemption shall be mailed at least 30 but not more than 60 days before the redemption date to the Holder of the Securities of this Series to be redeemed at its registered address. The notice of redemption for the Securities of this Series shall state, among other things, the amount of Securities of this Series to be redeemed, the redemption date, the redemption price and the place or places that payment will be made upon presentation and surrender of Securities of this Series to be redeemed. Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on any Securities of this Series that have been called for redemption at the redemption date.

If the Company chooses to redeem less than all of the Securities of this Series, it shall notify the Trustee at least 45 days before giving notice of redemption, or such shorter period as is satisfactory to the Trustee, of the aggregate principal amount of Securities of this Series to be redeemed and the redemption date. The Trustee shall select by lot, or in such other manner it deems fair and appropriate, the Securities of this Series to be redeemed in part.

If the Company has given notice as provided in the Indenture and in the Board Resolution establishing the



Securities of this Series, and funds for the redemption of any Securities of this Series (or any portion thereof) called for redemption shall have been made available on the redemption date referred to in such notice, Securities of this Series (or any portion thereof) will cease to bear interest on that redemption date and the only right of the Holders of those Securities of this Series will be to receive payment of the redemption price.

Other Terms . As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities, the holders of not less than a majority in principal amount of the Securities at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the holders of a majority in principal amount of Securities at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the holder of this Security for the enforcement of any payment of principal hereof or premium, if any, or interest hereon on or after the respective due dates expressed or provided for herein.

As provided in the Indenture and subject to certain limitations set forth therein or elsewhere described herein, this Security is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company in the City of Monroe and State of Louisiana, or any other authorized office or agency of the Company established for this purpose, accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Security Registrar duly executed by the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Security the Company, the Trustee, any Paying Agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Security shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any Paying Agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, affiliate, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

[If DTC is at any time unwilling, unable or ineligible to continue as depository of the Securities of this Series and a successor depository is not appointed by the Company within 90 days, or if the Company at any time determines not to have the Securities of this Series represented by one or more registered global Securities, the Company will issue the Securities of this Series in definitive form in exchange for the registered global Securities as set forth in the Indenture.

The Securities are issuable only in book-entry form. The Securities may be represented by one or more registered global Securities deposited with DTC and registered in the name of the nominee of DTC, with certain limited exceptions. So long as DTC or any successor depository or its nominee is the registered holder of a global Security, DTC, such depository or such nominee, as the case may be, will be considered to be the sole holder of the Security for all purposes of the Indenture. Except as provided below, an owner of a beneficial interest in a global Security will not be entitled to have the Securities represented by such global Security registered in such owner's name, will not receive or be entitled to receive physical delivery of the Securities in certificated form and will not be considered the owner or holder thereof under the Indenture. Each person owning a beneficial interest in a global Security must rely on DTC's procedures and, if such person is not a participant, on the procedures of the participant through which such person owns

its interest, to exercise any rights of a holder under the Indenture. If the Company requests any action of holders or if an owner of a beneficial interest in a global Security desires to take any action that a holder is entitled to take under the Indenture, DTC will authorize the participants holding the relevant beneficial interests to give or take such action, and such participants will otherwise act upon the instructions of beneficial owners holding through them.

Initially, the Trustee will be the Security Registrar, the Transfer Agent and the Paying Agent for this Security. The Company reserves the rights at any time to remove any Paying Agent, Transfer Agent or Security Registrar without notice, to appoint other Paying Agents, other Transfer Agents and other Security Registrars without notice and to approve any change in the office through which any Paying Agent, Transfer Agent or Security Registrar acts. None of the Company, the Trustee, the Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in this Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by any depository, as a holder, with respect to this Security in global form or impair, as between such depository and owners of beneficial interests in such global Security, the operation of customary practices governing the exercise of the rights of such depository (or its nominee) as holder of such global Security.]<sup>3</sup>

The Securities of this Series shall not be subject to, or have the benefit of, a sinking fund.

The Company may cause CUSIP numbers to be printed on the Securities as a convenience to holders of Securities. No representation is made as to the accuracy of such numbers as printed on the Securities, and reliance may be placed only on the other identification numbers printed thereon.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of Louisiana.

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<sup>3</sup> Include this bracketed language if this is a Global Note.

\* \* \* \* \*

#### **IV. AUTHORIZATION OF ISSUANCE AND SALE OF THE SECURITIES**

##### **RESOLVED THAT:**

(1) each of the Purchase Agreements is hereby approved in the form presented to the Special Pricing Committee, and each of the President or any Vice President of the Company is hereby authorized and empowered to execute and deliver such agreements on behalf of the Company in substantially such form, with such changes as any such officers shall deem necessary or appropriate;

(2) each of the Registration Rights Agreements is hereby approved in the form presented to the Special Pricing Committee, and each of the President or any Vice President of the Company is hereby authorized and empowered to execute and deliver each of such agreements on behalf of the Company in substantially such form, with such changes as any such officer shall deem necessary or appropriate;

(3) the Supplemental Indenture is hereby approved in the form presented to the Special Pricing Committee, and each of the President or any Vice President of the Company is hereby authorized to execute and deliver on behalf of the Company such Supplemental Indenture in substantially such form, with such changes as any such officer shall deem necessary or appropriate;

(4) each of the President, any Vice President, the Treasurer, the Secretary and any Assistant Treasurer or Assistant Secretary of the Company is hereby authorized on behalf of the Company pursuant to the terms and conditions of the Debenture Purchase Agreement to issue and sell to the Debenture Purchasers the Convertible Debentures, in the aggregate principal amount of \$150 million (or \$XXX in the aggregate after deducting a Debenture Purchasers' discount of X% and \$XXX in the aggregate);

(5) each of the President, any Vice President, the Treasurer, the Secretary and any Assistant Treasurer or Assistant Secretary of the

Company is hereby authorized and empowered to issue on behalf of the Company up to an additional \$15 million aggregate principal amount of Convertible Debentures to the Debenture Purchasers, upon exercise of the option provided to the Debenture Purchasers pursuant to the terms and conditions of the Debenture Purchase Agreement;

(6) each of the President, any Vice President, the Treasurer, the Secretary and any Assistant Treasurer or Assistant Secretary of the Company is hereby authorized on behalf of the Company pursuant to the terms and conditions of the Note Purchase Agreement to issue and sell to the Note Purchasers the Senior Notes, at a price per Senior Note of 99.379%, such that the aggregate sale price of the Senior Notes shall be \$496,895,000 (or 98.729% per Senior Note and \$493,645,000 in the aggregate after deducting the Note Purchasers' discount of 0.650%);

(7) each of the President, any Vice President, the Secretary and any Assistant Secretary of the Company is hereby authorized to disseminate any offering memorandums, or any amendments or supplements thereto, that may be necessary or appropriate in connection with the offer and sale of the Securities;

(8) each of the President, Vice President, the Secretary and any Assistant Secretary of the Company is hereby authorized to take all actions necessary to perform the Company's obligations under the Registration Rights Agreements, including (i) disseminating and filing with the Commission an exchange offer registration statement with respect to an exchange offer of the Senior Notes and a shelf registration statement with respect to resales of the Senior Notes or the Convertible Debentures and (ii) consummating the exchange of the Private Notes for the Exchange Notes, all on the terms and conditions of the applicable Registration Rights Agreement;

(9) each of the President, any Vice President, the Secretary and any Assistant Secretary of the Company is hereby authorized and empowered to file such applications and take all other actions as shall be necessary or appropriate, on behalf of the Company, to list the Issuable Common Stock on the NYSE; to appear before the NYSE or any department or committee thereof in connection with any such applications; to make such changes in any such applications as any of them shall deem to be necessary or desirable; to enter into such agreements in connection with such applications as any one of them shall deem to be necessary or desirable; and to take any and all such other action as any of them shall deem necessary to desirable to effect such listing;

(10) each of the President, any Vice President, the Secretary and any Assistant Secretary of the Company is hereby authorized to prepare or cause to be prepared, and file or cause to be filed, such applications as may be required to enable the Convertible Debentures to trade in the PORTAL Market of the National Association of Securities Dealers;

(11) each of the President, any Vice President, the Secretary and any Assistant Secretary of the Company is hereby authorized and empowered to execute and deliver on behalf of the Company a Rider to the Blanket Letter of Representations for 144A Securities to DTC relating to the eligibility of the Convertible Debentures and the Senior Notes issued by the Company for inclusion in the DTC book-entry system;

(12) each of the President, any Vice President, the Controller, the Secretary and any Assistant Secretary of the Company is hereby authorized and empowered to allocate and set aside for issuance pursuant to the terms of the Convertible Debentures and the Supplemental Indenture, the maximum aggregate number of shares of Issuable Common Stock, and such officers shall be authorized to issue and deliver, or cause to be issued or delivered, such shares of Common Stock upon conversion of the Convertible Debentures in accordance with the terms and conditions of the Convertible Debentures and the Supplemental Indenture (it being understood that upon issuance and delivery thereof, such shares of Common Stock shall be fully paid and nonassessable shares of the Company);

(13) Computershare Investor Services, LLC, the Transfer Agent and Registrar for the Common Stock, shall be authorized to issue, register, countersign and deliver, in accordance with the written order or orders of the Company signed by the President, any Vice President, the Secretary or any Assistant Secretary of the Company, certificates for the Issuable Common Stock;

(14) the President or any Vice President and the Secretary or any Assistant Secretary of the Company are hereby authorized to execute certificates in such forms as they deem necessary representing (i) \$150 million aggregate principal amount of Convertible Debentures (or up to \$165 million aggregate principal amount of Convertible Debentures upon exercise of the option provided to the Debenture Purchasers pursuant to the terms and conditions of the Debenture Purchase Agreement), and (ii) \$500 million aggregate principal amount of Senior Notes (including without limitation any such certificates representing the Private Notes, the Private Exchange Notes and the Exchange Notes), on behalf of the Company under its corporate seal or a facsimile attested by the Secretary or any Assistant Secretary, and the signature of the President or any Vice President and the Secretary or any Assistant Secretary may be in the form of a facsimile signature of the present or any future President, Vice President, Secretary or Assistant Secretary, and the signature of the Secretary or any Assistant Secretary in attestation of the corporate seal may be in the form of a facsimile signature of the present or any future Secretary or Assistant Secretary, and should any officer who signs, or whose facsimile signature appears upon, any of the aforementioned certificates cease to be such an officer prior to their issuance, such certificates so signed or bearing such facsimile signature shall still be valid, and, without prejudice to the use of the facsimile signature of any other officer as hereinabove authorized, the facsimile signatures of Glen F. Post, III, Chairman, President and Chief Executive Officer, R. Stewart Ewing, Jr., Executive Vice President, Chief Financial Officer, Treasurer and Assistant Secretary, Harvey P. Perry, Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, and Stacey W. Goff, Assistant Secretary, are hereby expressly approved and adopted;

(15) the President or any Vice President and the Treasurer or any Assistant Treasurer of the Company are hereby authorized to cause the certificates representing the Securities to be delivered to the Trustee for authentication and delivery by it in accordance with the provisions of the Indenture, and the Trustee is hereby authorized and requested to authenticate the Securities upon compliance by the Company

with the provisions of the Indenture and to deliver such certificates to or upon the written order of any such officer of the Company; and

(16) the President, any Vice President, the Secretary or any Assistant Secretary of the Company is hereby authorized and empowered to execute and deliver on behalf of the Company and to file or cause to be filed such other documents, and to take such other action, as may be required by law or as may be necessary or proper in their judgment in connection with the foregoing instruments and transactions.

## **V. DESIGNATION OF AGENTS**

### **RESOLVED THAT:**

(1) the office of Regions Bank located at 1500 North 18th Street, Monroe, Louisiana, is hereby designated and created as the agency of the Company in the City of Monroe and State of Louisiana at which, to the extent applicable and consistent with the terms and limitations of the Indenture, both the principal and the interest on the Securities are payable on the terms and conditions specified in the Indenture and notices, presentations and demands to or upon the Company in respect of the Securities may be given or made;

(2) the principal office of Regions Bank in Montgomery, Alabama is hereby designated and created as Security Registrar of the Company at which, to the extent applicable and consistent with the terms and limitations of the Indenture, (i) the Company shall register the Securities, (ii) the Securities may be surrendered for transfer or exchange and transferred or exchanged in accordance with their terms, and (iii) books for the registration and transfer of the Securities shall be kept;

(3) Regions Bank is hereby designated as the Company's Bid Agent and Conversion Agent (each as defined in the Supplemental Indenture); and

(4) the appropriate officers of the Company are hereby authorized to execute and deliver any required agreements or other instruments and documents, and to do all such other acts and things as they may consider necessary or desirable, in connection with the accomplishment of the intent and purposes of the foregoing paragraphs of this resolution.

## **VI. MISCELLANEOUS ACTIONS**

**RESOLVED**, that the officers of the Company are authorized to execute and deliver all such instruments and documents, to incur on behalf of the Company all such expenses and obligations, to make all such payments, and to do all such other acts and things as they may consider necessary or desirable in connection with consummating the transactions contemplated under the Purchase Agreements or accomplishing the intent and purposes of the foregoing resolutions, including without limitation issuing any necessary and appropriate press releases, obtaining all necessary and appropriate CUSIP numbers and debt ratings, retaining all necessary printing companies, depositary companies, engraving companies and other agents or advisers, executing and delivering any and all necessary agreements with the agents specified above or the depositary of the certificates representing the Securities, and executing and delivering all closing instruments that are contemplated by the Purchase Agreements or the Indenture or that are otherwise customary and appropriate; and

**FURTHER RESOLVED**, that all actions heretofore taken by the officers of the Company that would have been authorized hereunder if taken after the adoption of these resolutions are hereby ratified and confirmed in all respects as the acts of the Company.

\* \* \* \* \*

**Exhibit 4.4**  
**to Registration Statement**

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**EXCHANGE AND  
REGISTRATION RIGHTS AGREEMENT**

**Dated as of August 26, 2002**

**between**

**CENTURYTEL, INC.**

**and**

**BANC OF AMERICA SECURITIES LLC  
J.P. MORGAN SECURITIES INC.  
WACHOVIA SECURITIES, INC.**

**as Representatives of the Initial Purchasers**

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## EXCHANGE AND REGISTRATION RIGHTS AGREEMENT

EXCHANGE AND REGISTRATION RIGHTS AGREEMENT (this " Agreement ") dated as of August 26, 2002 among CENTURYTEL, INC., a Louisiana corporation (the " Company "), and BANC OF AMERICA SECURITIES LLC, J.P. MORGAN SECURITIES INC. and WACHOVIA SECURITIES, INC. (each, an " Initial Purchaser " and, collectively with the other initial purchasers identified on Schedule I to the Purchase Agreement (as defined below), the " Initial Purchasers "), as Representatives of the several Initial Purchasers (the " Representatives ").

This Agreement is made pursuant to the Purchase Agreement, dated August 20, 2002, between the Company and the Initial Purchasers (the " Purchase Agreement "), which provides for the sale by the Company to the Initial Purchasers of \$500,000,000 aggregate principal amount of the Company's 7.875% Senior Notes, Series L, due 2012 (the " Securities "). In order to induce the Initial Purchasers to purchase the Securities, the Company has agreed to provide to the Initial Purchasers and their respective direct and indirect transferees and assigns the registration rights set forth in this Agreement.

In consideration of the foregoing, the parties hereto agree as follows:

1. Definitions . As used in this Agreement, the following capitalized defined terms shall have the following meanings:

" 1933 Act " shall mean the Securities Act of 1933 or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same may be amended from time to time.

" 1934 Act " shall mean the Securities Exchange Act of 1934 or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same may be amended from time to time.

" Additional Interest " shall have the meaning set forth in Section 2(e) hereof.

" Business Day " shall have the meaning set forth in the Indenture.

" Closing Time " shall mean August 26, 2002.

" Depository " shall mean The Depository Trust Company, or any other depository appointed by the Company, including any agent thereof; *provided, however* , that any such depository must at all times have an address in the Borough of Manhattan, The City of New York.

" Exchange Offer " shall mean the exchange offer by the Company of Exchange Securities for Registrable Securities pursuant to Section 2(a) hereof.

" Exchange Offer Registration " shall mean a registration of the Exchange Offer under the 1933 Act effected pursuant to Section 2(a) hereof.

" Exchange Offer Registration Statement " shall mean a registration statement of the Company on Form S-4 covering the Exchange Offer and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the

Prospectus contained therein, all exhibits thereto and all material incorporated or deemed to be incorporated by reference therein.

" Exchange Securities " shall mean the 7.875% Senior Notes, Series L, due 2012 of the Company to be issued under the Indenture with terms identical to the Securities (except that (i) interest thereon shall accrue from the last date to which interest has been paid or duly provided for on the Securities or, if no such interest has been paid or duly provided for, from the Interest Accrual Date, (ii) provisions relating to an increase in the stated rate of interest thereon upon the occurrence of a Registration Default shall be eliminated, and (iii) the transfer restrictions and legends relating to restrictions on ownership and transfer thereof as a result of the issuance of the Securities without registration under the 1933 Act shall be eliminated) and offered to Holders of Registrable Securities in exchange for Registrable Securities pursuant to the Exchange Offer.

" Holders " shall mean, as the context requires, (i) the Initial Purchasers, for so long as they own any Registrable Securities, and each of their respective successors, assigns and direct and indirect transferees who become registered holders of Registrable Securities under the Indenture and (ii) each Participating Broker-Dealer that holds Exchange Securities for so long as such Participating Broker-Dealer is required to deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities.

" Indenture " shall mean the Indenture dated as of March 31, 1994 between the Company and Regions Bank (as successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), as trustee, as the same may be further amended or supplemented from time to time in accordance with the terms thereof.

" Interest Accrual Date " means August 26, 2002.

" Initial Purchasers " shall have the meaning set forth in the preamble of this Agreement.

" Majority Holders " shall mean the Holders of a majority of the aggregate principal amount of Registrable Securities outstanding; *provided, however*, that whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or any of its affiliates (as such term is defined in Rule 405 under the 1933 Act) shall be disregarded in determining whether such consent or approval was given by the Holders of such required percentage.

" NASD " shall mean the National Association of Securities Dealers, Inc.

" Notifying Broker-Dealer " shall have the meaning set forth in Section 3(f) hereof.

" Participating Broker-Dealer " shall have the meaning set forth in Section 3(f) hereof.

" Person " shall have the meaning set forth in the Indenture.

" Private Exchange Securities " shall have the meaning set forth in Section 2(a) hereof.

" Prospectus " shall mean the prospectus included in a Registration Statement, including any preliminary prospectus, and any such prospectus as amended or supplemented by any prospectus supplement, including a prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by a Shelf Registration Statement, and by all other amendments and supplements to a prospectus, including post-effective amendments, and in each case including all material incorporated or deemed to be incorporated by reference therein.

" Purchase Agreement " shall have the meaning set forth in the preamble to this Agreement.

" Registrable Securities " shall mean the Securities; *provided, however*, that any Securities shall cease to be Registrable Securities when (i) a Shelf Registration Statement with respect to the resale of such Securities shall have been declared effective under the 1933 Act and such Securities shall have been disposed of pursuant to such Shelf Registration Statement, (ii) such Securities shall have been sold to the public pursuant to Rule 144 (or any similar provision then in force, but not Rule 144A) under the 1933 Act, (iii) such Securities shall have ceased to be outstanding, (iv) such Securities shall have been exchanged for Exchange Securities which have been registered pursuant to the Exchange Offer Registration Statement upon consummation of the Exchange Offer unless such Exchange Securities are held by Participating Broker-Dealers or otherwise are not freely tradable without any limitations or restrictions under the 1933 Act, in which case such Exchange Securities will be deemed to be Registrable Securities until such time as such Exchange Securities are sold to a purchaser in whose hands such Exchange Securities are freely tradeable without any limitations or restrictions under the 1933 Act or (v) such Securities shall have been exchanged for Private Exchange Securities pursuant to this Agreement, in which case such Private Exchange Securities will be deemed to be Registrable Securities until such time as such Private Exchange Securities are sold to a purchaser in whose hands such Private Exchange Securities are freely tradeable without any limitations or restrictions under the 1933 Act.

" Registration Default " shall have the meaning set forth in Section 2(e) hereof.

" Registration Expenses " shall mean any and all expenses incident to the performance of or compliance by the Company with this Agreement, including without limitation: (i) all SEC, stock exchange or NASD registration and filing fees, (ii) all fees and expenses incurred

in connection with compliance with state or other securities or blue sky laws and compliance with the rules of the NASD (including reasonable fees and disbursements of one firm acting as counsel for any underwriters or Holders in connection with qualification of any of the Exchange Securities or Registrable Securities under state or other securities or blue sky laws and any filing with and review by the NASD), (iii) all expenses of any Persons in preparing, printing and distributing any Registration Statement, any Prospectus, any amendments or supplements thereto, any underwriting agreements, securities sales agreements or other similar agreements, certificates representing the Securities, Private Exchange Securities (if any) or Exchange Securities and other documents relating to the performance of and compliance with this Agreement, (iv) all rating agency fees, (v) all fees and expenses incurred in connection with the listing, if any, of the Securities, Private Exchange Securities (if any) or Exchange Securities on any securities exchange or exchanges or on any quotation system, (vi) all fees and disbursements relating to the qualification of the Indenture under applicable securities laws, (vii) the fees and disbursements of counsel for the Company and the fees and expenses of independent public accountants for the Company or for any other Person, business or assets whose financial statements are included in any Registration Statement or Prospectus, including the expenses of any special audits or "cold comfort" letters required by or incident to such performance and compliance, (viii) the fees and expenses of a "qualified independent underwriter", as defined by Conduct Rule 2720 of the NASD (if required by the NASD rules), and the fees and disbursements of its counsel, (ix) the fees and expenses of the Trustee, any registrar, any depositary, any paying agent, any escrow agent or any custodian, in each case including fees and disbursements of their respective counsel, (x) the reasonable fees and expenses of counsel to the Initial Purchasers in connection with the Exchange Offer (which shall be Pillsbury Winthrop LLP or such other counsel reasonably acceptable to the Company), (xi) the fees and disbursements, if any, of special counsel representing the Holders of Registrable Securities designated pursuant to Section 2(c) below and (xii) in the case of an underwritten offering, any fees and disbursements of the underwriters customarily paid by issuers or sellers of securities and the fees and expenses of any special experts retained by the Company in connection with any Registration Statement but excluding (except as otherwise provided herein) fees of counsel to the underwriters or the Holders and underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of Registrable Securities by a Holder.

" Registration Statement " shall mean any registration statement of the Company relating to any offering of the Exchange Securities or Registrable Securities pursuant to the provisions of this Agreement (including, without limitation, any Exchange Offer Registration Statement and any Shelf Registration Statement), and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated or deemed to be incorporated by reference therein.

" Representatives " shall have the meaning set forth in the preamble to this Agreement.

" SEC " shall mean the Securities and Exchange Commission or any successor thereto.

" Securities " shall have the meaning set forth in the preamble to this Agreement.

" Shelf Registration " shall mean a registration covering the resale of Securities or Private Exchange Securities (if any) effected pursuant to Section 2(b) hereof.

" Shelf Registration Statement " shall mean a registration statement of the Company on Form S-3 filed pursuant to Rule 415 under the 1933 Act covering the Shelf Registration, and all amendments and supplements to such registration statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated or deemed to be incorporated by reference therein.

" TIA " shall mean the Trust Indenture Act of 1939 or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same may be amended from time to time.

" Trustee " shall mean the trustee with respect to the Securities, the Private Exchange Securities (if any) and the Exchange Securities under the Indenture.

For purposes of this Agreement, (i) all references in this Agreement to any Registration Statement, preliminary prospectus or Prospectus or any amendment or supplement to any of the foregoing shall be deemed to include the copy filed with the SEC pursuant to its Electronic Data Gathering, Analysis and Retrieval system; (ii) all references in this Agreement to financial statements and schedules and other information which is "contained", "included", "disclosed" or "stated" in any Registration Statement, preliminary prospectus or Prospectus (or other references of like import) shall be deemed to include all such financial statements and schedules and other information which is incorporated or deemed to be incorporated by reference in such Registration Statement, preliminary prospectus or Prospectus, as the case may be, at the time of effectiveness or delivery, as the case may be; (iii) all references in this Agreement to amendments or supplements to any Registration Statement, preliminary prospectus or Prospectus shall be deemed to include the filing of any document under the 1934 Act which is incorporated or deemed to be incorporated by reference in such Registration Statement, preliminary prospectus or Prospectus, as the case may be, after the time of effectiveness or delivery, as the case may be; (iv) all references in this Agreement to Rule 144, Rule 144A or Rule 405 under the 1933 Act, and all references to any sections or subsections thereof or terms defined therein, shall in each case include any successor provisions thereto; and (v) all references in this Agreement to days (but not to Business Days) shall mean calendar days.

## 2. Registration Under the 1933 Act .

(a) Exchange Offer Registration . The Company shall (A) file with the SEC on or prior to the 90th day after the Closing Time an Exchange Offer Registration Statement covering the offer by the Company to the Holders to exchange all of the Registrable Securities



for a like aggregate principal amount of Exchange Securities, (B) use its reasonable best efforts to cause such Exchange Offer Registration Statement to be declared effective by the SEC no later than the 150th day after the Closing Time, (C) use its reasonable best efforts to cause such Registration Statement to remain effective until the closing of the Exchange Offer and (D) use its reasonable best efforts to consummate the Exchange Offer no later than 30 days after the effective date of the Exchange Offer Registration Statement. Upon the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Exchange Offer, it being the objective of such Exchange Offer to enable each Holder eligible and electing to exchange Registrable Securities for Exchange Securities (assuming that such Holder (1) is not an affiliate of the Company within the meaning of Rule 405 under the 1933 Act or an Initial Purchaser holding Securities acquired by it and having the status of an unsold allotment in the initial offering and sale of Securities pursuant to the Purchase Agreement, (2) acquires the Exchange Securities in the ordinary course of such Holder's business, (3) is not a broker-dealer holding Securities acquired directly from the Company for its own account and (4) has no arrangements or understandings with any Person to participate in the Exchange Offer for the purpose of distributing such Exchange Securities) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the 1933 Act or under the securities or blue sky laws of the states of the United States.

In connection with the Exchange Offer, the Company shall:

- (i) promptly mail to each Holder a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;
- (ii) keep the Exchange Offer open for not less than 20 Business Days (or longer if required by applicable law or extended by the Company, at its option) after the date notice thereof is mailed to the Holders and, during the Exchange Offer, offer to all Holders who are legally eligible to participate in the Exchange Offer the opportunity to exchange their Registrable Securities for Exchange Securities;
- (iii) use the services of a depository with an address in the Borough of Manhattan, The City of New York, for the Exchange Offer;
- (iv) permit Holders to withdraw tendered Registrable Securities at any time prior to the close of business, New York City time, on the last Business Day on which the Exchange Offer shall remain open, by sending to the institution specified in the Prospectus or the related letter of transmittal or related documents a telegram, telex, facsimile transmission or letter setting forth the name of such Holder, the principal amount of Registrable Securities delivered for exchange, and a statement that such Holder is withdrawing its election to have such Securities exchanged;
- (v) notify each Holder that any Registrable Security not tendered will remain outstanding and continue to accrue interest, but will not retain any rights under this Agreement (except in the case of the Initial Purchasers and Participating Broker-Dealers as provided herein); and
- (vi) otherwise comply in all material respects with all applicable laws relating to the Exchange Offer.

If, at or prior to the consummation of the Exchange Offer, any Initial Purchaser holds any Securities acquired by it and having the status of an unsold allotment in the initial offering and sale of Securities pursuant to the Purchase Agreement, the Company shall, upon the request of such Initial Purchaser, simultaneously with the delivery of the Exchange Securities in the Exchange Offer to other Holders, issue and deliver to such Initial Purchaser in exchange for such Securities a like principal amount of debt securities of the Company ("Private Exchange Securities") to be issued under the Indenture with terms identical to the Exchange Securities, except that such debt securities shall be subject to transfer restrictions, shall bear a legend relating to restrictions and on ownership and transfer identical to those applicable to the Securities as a result of the issuance thereof without registration under the 1933 Act and shall provide for the payment of Additional Interest to the extent otherwise payable under this Agreement. The Company shall use its reasonable best efforts to have the Private Exchange Securities bear the same CUSIP number as the Exchange Securities and, if unable to do so, the Company will, at such time as any Private Exchange Security ceases to be a "restricted security" within the meaning of Rule 144 under the 1933 Act, permit any such Private Exchange Security to be exchanged for a like principal amount of Exchange Securities.

The Exchange Securities and the Private Exchange Securities (if any) shall be issued under the Indenture, which shall be qualified under the TIA. Interest on each Exchange Security and such Private Exchange Security (if any) will accrue from the last date on which interest was paid or duly provided for on the Securities surrendered in exchange therefor or, if no interest has been paid or duly provided for on such Securities, from the Interest Accrual Date.

The Indenture shall provide that the Exchange Securities, the Private Exchange Securities (if any) and the Securities shall vote and consent together on all matters as a single class and shall constitute a single series of debt securities issued under the Indenture.

As soon as practicable after the close of the Exchange Offer, the Company shall:

- (i) accept for exchange all Registrable Securities duly tendered and not validly withdrawn pursuant to the Exchange Offer in accordance with the terms of the Exchange Offer Registration Statement and the letter of transmittal which is an exhibit thereto;

(ii) deliver, or cause to be delivered, to the Trustee for cancellation all Registrable Securities so accepted for exchange by the Company; and

(iii) cause the Trustee promptly to authenticate and deliver Exchange Securities to each Holder of Registrable Securities so accepted for exchange equal in principal amount to the principal amount of the Registrable Securities of such Holder so accepted for exchange.

The Exchange Offer shall not be subject to any conditions, other than that (i) the Exchange Offer, or the making of any exchange by a Holder, does not violate any applicable law or any applicable interpretation of the staff of the SEC, (ii) no action or proceeding shall have been instituted or threatened in any court or by or before any governmental agency with respect to the Exchange Offer which, in the Company's judgment, would reasonably be expected to impair the ability of the Company to proceed with the Exchange Offer, and (iii) the Holders tender the Registrable Securities to the Company in accordance with the Exchange Offer. Each Holder of Registrable Securities (other than Participating Broker-Dealers) who wishes to exchange such Registrable Securities for Exchange Securities in the Exchange Offer will be required to represent that (1) it is not an affiliate (as defined in Rule 405 under the 1933 Act) of the Company or an Initial Purchaser holding Securities acquired by it and having the status of an unsold allotment in the initial offering and sale of Securities pursuant to the Purchase Agreement, (2) any Exchange Securities to be received by it will be acquired in the ordinary course of business, (3) it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities, (4) it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the 1933 Act) of the Exchange Securities, and (5) it is not acting on behalf of any person who could not truthfully and completely make the foregoing representations, and shall be required to make such other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to render the use of Form S-4 or another appropriate form under the 1933 Act available. To the extent permitted by law, the Company shall inform the Initial Purchasers of the names and addresses of the Holders of Securities to whom the Exchange Offer is made and, to the extent such information is available to the Company, the names and addresses of the beneficial owners of such Securities, and the Initial Purchasers shall have the right to contact such Holders and beneficial owners and otherwise facilitate the tender of Registrable Securities in the Exchange Offer.

(b) Shelf Registration . (i) If, because of any change in law or applicable interpretations thereof by the staff of the SEC, the Company is not permitted to effect the Exchange Offer as contemplated by Section 2(a) hereof, or (ii) if for any other reason (A) the Exchange Offer Registration Statement is not declared effective within 150 days following the Closing Time or (B) the Exchange Offer is not consummated within 30 days after effectiveness of the Exchange Offer Registration Statement (provided that if the Exchange Offer Registration Statement shall be declared effective after such 150-day period or if the Exchange Offer shall be consummated after such 30-day period, then the Company's obligations under this clause (ii) arising from the failure of the Exchange Offer Registration Statement to be declared effective within such 150-day period or the failure of the Exchange Offer to be consummated within such 30-day period, respectively, shall terminate, without penalty), or (iii) if any Holder (other than an Initial Purchaser holding Securities acquired directly from the Company as part of the offering and sale of Securities pursuant to the Purchase Agreement) notifies the Company within 20 Business Days following the consummation of the Exchange Offer that, based upon the advice of counsel, it was not eligible to participate in the Exchange Offer or that it participated in the Exchange Offer but did not receive Exchange Securities which are freely tradeable without any limitations or restrictions under the 1933 Act or (iv) upon the request of any Initial Purchaser (provided that, in the case of this clause (iv), such Initial Purchaser shall hold Registrable Securities (including, without limitation, Private Exchange Securities) that it acquired directly from the Company as part of the offering and sale of Securities pursuant to the Purchase Agreement and such request is made before the date that is 60 days after consummation of the Exchange Offer), the Company shall, at its cost:

(A) as promptly as practicable, but no later than (a) the 150th day after the Closing Time or (b) the 60th day after any such filing obligation arises, whichever is later, file with the SEC a Shelf Registration Statement relating to the resale of the Registrable Securities by the Holders from time to time in accordance with the methods of distribution elected by the Majority Holders of such Registrable Securities and set forth in such Shelf Registration Statement;

(B) use its reasonable best efforts to cause such Shelf Registration Statement to be declared effective by the SEC as promptly as practicable, but in no event later than the 60th day after the date on which the Company is required to file the Shelf Registration Statement. In the event that the Company is required to file a Shelf Registration Statement pursuant to clause (iii) or (iv) above, the Company shall file and use its reasonable best efforts to have declared effective by the SEC both an Exchange Offer Registration Statement pursuant to Section 2(a) with respect to all Registrable Securities other than the Private Exchange Securities (if any) and a Shelf Registration Statement (which may be combined with the Exchange Offer Registration Statement) with respect to resales of Registrable Securities held by such Holder or such Initial Purchaser, as applicable;

(C) use its reasonable best efforts to keep the Shelf Registration Statement continuously effective, supplemented and amended as required, in order to permit the Prospectus forming part thereof to be usable by Holders for a period of two years after the latest date on which any Securities are originally issued by the Company (subject to extension pursuant to the last paragraph of Section 3) or, if earlier, when all of the Registrable Securities covered by such Shelf Registration Statement (i) have been sold pursuant to the Shelf Registration Statement in accordance with the intended method of distribution thereunder, (ii) become eligible for resale pursuant to Rule 144(k) under the 1933 Act or (iii) cease to be Registrable Securities; and

(D) notwithstanding any other provisions hereof, use its reasonable best efforts to ensure that (i) the Shelf Registration Statement and each amendment thereto (if any) and the Prospectus forming a part thereof and each amendment or supplement thereto comply in all material respects with the 1933 Act and the rules and regulations thereunder, (ii) neither the Shelf Registration Statement nor any amendment thereto, when it becomes effective, contains an untrue statement of a material

fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) except during circumstances described in the last two paragraphs of Section 3, neither the Prospectus forming part of the Shelf Registration Statement nor any amendment or supplement thereto includes an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this provision shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by a holder of Registrable Securities expressly for use therein.

The Company shall not permit any securities other than Registrable Securities to be included in the Shelf Registration Statement without the prior written consent of the Initial Purchasers. The Company further agrees, if necessary, to supplement or amend the Shelf Registration Statement if reasonably requested by the Majority Holders with respect to information relating to the Holders and otherwise as required by Section 3(b) below, to use its reasonable best efforts to cause any such amendment to become effective and such Shelf Registration Statement to become usable as soon as practicable thereafter and to furnish to the Holders of Registrable Securities copies of any such supplement or amendment promptly after its being used or filed with the SEC.

(c) Expenses . The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) and 2(b) hereof and, in the case of the Shelf Registration Statement, will reimburse the Holders or the Initial Purchasers for the reasonable fees and disbursements of one counsel (which counsel shall be Pillsbury Winthrop LLP or such other counsel reasonably acceptable to the Company) to act as counsel for the Holders of the Registrable Securities in connection therewith. Each Holder shall pay all fees and disbursements of its counsel other than as set forth in the preceding sentence or in the definition of Registration Expenses and all underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration Statement.

(d) Effective Registration Statement .

(i) The Company shall be deemed not to have used its reasonable best efforts to cause the Exchange Offer Registration Statement or any Shelf Registration Statement, as the case may be, to become, or to remain, effective during the requisite periods set forth herein if the Company voluntarily takes any affirmative action or fails to take any action that could reasonably be expected to result in any such Registration Statement not being declared effective or remaining effective or in the Holders of Registrable Securities (including, under the circumstances contemplated by Section 3(f) hereof, Exchange Securities) covered thereby not being able to exchange or offer and sell such Registrable Securities during or omitted that period unless (A) such action is required by applicable law or (B) such action is taken or omitted by the Company in good faith and for valid business reasons (which does not include avoidance of the Company's obligations hereunder), including the acquisition or divestiture of assets or a material corporate transaction or event, so long as the Company promptly complies with the notification requirements of Section 3(k) hereof, if applicable. Nothing in this paragraph shall prevent the accrual of Additional Interest on any Securities, Private Exchange Securities or Exchange Securities in accordance with the terms of this Agreement.

(ii) An Exchange Offer Registration Statement pursuant to Section 2(a) hereof or a Shelf Registration Statement pursuant to Section 2(b) hereof shall not be deemed to have become effective unless it has been declared effective by the SEC; *provided, however*, that if, after it has been declared effective, the offering of Registrable Securities pursuant to a Registration Statement is interfered with by any stop order, injunction or other order or requirement of the SEC or any other governmental agency or court, such Registration Statement shall be deemed not to have been effective during the period of such interference until the offering of Registrable Securities pursuant to such Registration Statement may legally resume.

(e) Increase in Interest Rate . In the event that:

(i) the Exchange Offer Registration Statement is not filed with the SEC on or prior to the 90th day following the Closing Time, or

(ii) the Exchange Offer Registration Statement is not declared effective by the SEC on or prior to the 150th day following the Closing Time, or

(iii) the Exchange Offer is not consummated on or prior to the 30th day following the effective date of the Exchange Offer Registration Statement, or

(iv) if required, a Shelf Registration Statement is not filed with the SEC on or prior to (A) the 150th day following the Closing Time or (B) the 60th day after the filing obligation arises, whichever is later, or

(v) if required, a Shelf Registration Statement is not declared effective on or prior to the 60th day after the date on which the Company is required to file such Shelf Registration Statement, or

(vi) a Shelf Registration Statement is declared effective by the SEC but such Shelf Registration Statement ceases to be effective or such Shelf Registration Statement or the Prospectus included therein ceases to be usable in connection with resales of Registrable Securities for any reason and either (A) the aggregate number of days in any consecutive 365-day

period for which the Shelf Registration Statement or such Prospectus shall not be effective or usable exceeds 90 days, or (B) the Shelf Registration Statement or such Prospectus shall not be effective or usable for a period of more than 45 days within any consecutive 90-day period, or

(vii) the Exchange Offer Registration Statement is declared effective by the SEC but, if the Exchange Offer Registration Statement is being used in connection with the resale of Exchange Securities as contemplated by Section 3(f)(B) of this Agreement, the Exchange Offer Registration Statement ceases to be effective or the Exchange Offer Registration Statement or the Prospectus included therein ceases to be usable in connection with resales of Exchange Securities for any reason during the 180-day period referred to in Section 3(f)(B) of this Agreement (as such period may be extended pursuant to the last paragraph of Section 3 of this Agreement) and either (A) the aggregate number of days in any consecutive 365-day period for which the Exchange Offer Registration Statement or such Prospectus shall not be effective or usable exceeds 90 days, or (B) the Exchange Offer Registration Statement or the Prospectus shall not be effective or usable for a period of more than 45 days within any consecutive 90-day period,

(each of the events referred to in clauses (i) through (vii) above being hereinafter called a "Registration Default"), the per annum interest rate borne by the Registrable Securities shall be increased ("Additional Interest") by one-quarter of one percent (0.25%) per annum immediately following such 90-day period in the case of clause (i) above, immediately following such 150-day period in the case of clause (ii) above, immediately following such 30-day period in the case of clause (iii) above, immediately following any such 150-day period or 60-day period, whichever ends later, in the case of clause (iv) above, immediately following any such 60-day period, in the case of clause (v) above, immediately following the 90th day in any consecutive 365-day period, or immediately following the 45th day in any consecutive 90-day period, whichever occurs first, that a Shelf Registration Statement shall not be effective or a Shelf Registration Statement or the Prospectus included therein shall not be usable as contemplated by clause (vi) above, or immediately following the 90th day in any consecutive 365-day period, or immediately following the 45th day in any consecutive 90-day period, whichever occurs first, that the Exchange Offer Registration Statement shall not be effective or the Exchange Offer Registration Statement or the Prospectus included therein shall not be usable as contemplated by clause (vii) above, which rate will be increased by an additional one-quarter of one percent (0.25%) per annum immediately following each 90-day period that any Additional Interest continues to accrue under any circumstances; provided that the aggregate increase in such annual interest rate may in no event exceed one-half of one percent (0.50%) per annum and the Company will not be required to pay Additional Interest for more than one Registration Default at a time. Upon the filing of the Exchange Offer Registration Statement after the 90-day period described in clause (i) above, the effectiveness of the Exchange Offer Registration Statement after the 150-day period described in clause (ii) above, the consummation of the Exchange Offer after the 30-day period described in clause (iii) above, the filing of the Shelf Registration Statement after the 150-day period or 60-day period, as the case may be, described in clause (iv) above, the effectiveness of a Shelf Registration Statement after the 60-day period described in clause (v) above, or the Shelf Registration Statement once again being effective or the Shelf Registration Statement and the Prospectus included therein becoming usable in connection with resales of Registrable Securities, as the case may be, in the case of clause (vi) above, or the Exchange Offer Registration Statement once again becoming effective or the Exchange Offer Registration Statement and the Prospectus included therein becoming usable in connection with resales of Exchange Securities, as the case may be, in the case of clause (vii) thereof, the interest rate borne by the Registrable Securities from the date of such filing, effectiveness, consummation or resumption of effectiveness or useability, as the case may be, shall be reduced to the original interest rate so long as no other Registration Default shall have occurred and shall be continuing at such time and the Company is otherwise in compliance with this section; *provided, however*, that, if after any such reduction in interest rate, one or more Registration Defaults shall again occur, the interest rate shall again be increased pursuant to the foregoing provisions.

The Company shall notify the Trustee in writing within three Business Days after each and every date on which an event occurs in respect of which Additional Interest is required to be paid (an "Event Date") or in which the termination of the obligation to pay Additional Interest occurs. Additional Interest shall be paid by depositing with the Trustee, in trust, for the benefit of the Holders of Registrable Securities, on or before the applicable semi-annual interest payment date, immediately available funds in sums sufficient to pay the Additional Interest then due. The Additional Interest due shall be payable on each such interest payment date to the record Holder of Registrable Securities entitled to receive the interest payment to be paid on such date as set forth in the Indenture. Each obligation to pay Additional Interest shall be deemed to accrue from and including the day following the applicable Event Date.

Anything herein to the contrary notwithstanding, any Holder who was, at the time the Exchange Offer was pending and consummated, eligible to exchange, and did not validly tender, its Securities for Exchange Securities in the Exchange Offer will not be entitled to receive any Additional Interest. For purposes of clarity, it is hereby acknowledged and agreed that, under current interpretations of law by the SEC, Initial Purchasers holding unsold allotments of Securities acquired from the Company pursuant to the Purchase Agreement are not eligible to participate in the Exchange Offer.

(f) **Specific Enforcement** . Without limiting the remedies available to the Initial Purchasers and the Holders, the Company acknowledges that any failure by the Company to comply with its obligations under Sections 2(a) through 2(d) hereof may result in material irreparable injury to the Initial Purchasers, the Holders or the Participating Broker-Dealers for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers, any Holder and any Participating Broker-Dealer may obtain such relief as may be required to specifically enforce the Company's obligations under Sections 2(a) through 2(d) hereof.

3. **Registration Procedures** . In connection with the obligations of the Company with respect to the Registration Statements pursuant to Sections 2(a) and 2(b) hereof, the Company shall:

(a) prepare and file with the SEC a Registration Statement or, if required, Registration Statements, within the time periods

specified in Section 2, on the appropriate form under the 1933 Act, which form (i) shall be selected by the Company, (ii) shall, in the case of a Shelf Registration Statement, be available for the sale of the Registrable Securities by the selling Holders thereof and (iii) shall comply as to form in all material respects with the requirements of the applicable form and include or incorporate by reference all financial statements required by the SEC to be filed therewith, and use its reasonable best efforts to cause such Registration Statement to become effective and remain effective in accordance with Section 2 hereof;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary under applicable law to keep such Registration Statement effective for the applicable period; cause each Prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the 1933 Act; and comply with the provisions of the 1933 Act and the 1934 Act with respect to the disposition of all Securities covered by each Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the selling Holders thereof;

(c) in the case of a Shelf Registration, (i) notify each Holder of Registrable Securities which may be included in such Shelf Registration, at least ten Business Days prior to filing, that a Shelf Registration Statement with respect to the Registrable Securities is being filed and advising such Holders that the distribution of Registrable Securities will be made in accordance with the methods elected by the Majority Holders of such Registrable Securities included in such offering; (ii) furnish to each Holder of Registrable Securities, to counsel for the Initial Purchasers, to counsel for the Holders and to each underwriter of an underwritten offering of Registrable Securities, if any, without charge, as many copies of each Prospectus, including each preliminary Prospectus, and any amendment or supplement thereto and such other documents as such Holder, counsel or underwriter may reasonably request, including financial statements and schedules and, if such Holder, counsel or underwriter so requests, all exhibits (including those incorporated by reference) in order to facilitate the public sale or other disposition of the Registrable Securities; and (iii) subject to the penultimate paragraph of this Section 3, the Company hereby consents to the use of the Prospectus, including each preliminary Prospectus, or any amendment or supplement thereto by each of the Holders and underwriters of Registrable Securities in connection with the offering and sale of the Registrable Securities covered by any Prospectus or any amendment or supplement thereto;

(d) use its reasonable best efforts to register or qualify, or perfect exemptions from registration or qualification for, the Registrable Securities under all applicable state securities or "blue sky" laws of such jurisdictions as any Holder of Registrable Securities covered by a Registration Statement and each underwriter of an underwritten offering of Registrable Securities shall reasonably request, to cooperate with the Holders and the underwriters of any Registrable Securities in connection with any filings required to be made with the NASD, to keep each such registration or qualification effective during the period such Registration Statement is required to be effective and do any and all other acts and things which may be reasonably necessary or advisable to enable such Holder to consummate the disposition in each such jurisdiction of such Registrable Securities owned by such Holder; *provided, however*, that the Company shall not be required to (i) qualify as a foreign corporation or as a dealer in securities in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(d) or (ii) take any action which would subject it to general service of process or taxation in any such jurisdiction if it is not then so subject;

(e) in the case of a Shelf Registration, notify each Holder of Registrable Securities included in such Shelf Registration and counsel for such Holders promptly and, if requested by such Holder or counsel, confirm such advice in writing promptly (i) when a Registration Statement has become effective and when any post-effective amendments and supplements thereto become effective, (ii) of any request by the SEC or any state securities authority for post-effective amendments or supplements to a Registration Statement or Prospectus or for additional information after a Registration Statement has become effective, (iii) of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose, (iv) of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event or the discovery of any condition or facts during the period a Shelf Registration Statement is effective which is contemplated in Section 2(d)(i)(A) or 2(d)(i)(B) or which makes any statement made in such Shelf Registration Statement or the related Prospectus untrue in any material respect or which constitutes an omission to state a material fact in such Shelf Registration Statement or Prospectus and (vi) of any determination by the Company that a post-effective amendment to a Registration Statement would be appropriate; and without limitation to any other provisions of this Agreement, the Company agrees that this Section 3(e) shall also be applicable, *mutatis mutandis*, with respect to the Exchange Offer Registration Statement and the Prospectus included therein to the extent that such Prospectus is being used by Participating Broker-Dealers as contemplated by Section 3(f);

(f) (A) in the case of an Exchange Offer, (i) include in the Exchange Offer Registration Statement (x) a "Plan of Distribution" section substantially in the form set forth in Annex A hereto or other such form as is reasonably acceptable to the Representatives covering the use of the Prospectus included in the Exchange Offer Registration Statement by broker-dealers who have exchanged their Registrable Securities for Exchange Securities for the resale of such Exchange Securities and (y) a statement to the effect that any such broker-dealers who wish to use the related Prospectus in connection with the resale of Exchange Securities acquired as a result of market-making or other trading activities will be required to notify the Company to that effect, together with instructions for giving such notice (which instructions shall include a provision for giving such notice by checking a box or making another appropriate notation on the related letter of transmittal) (each such broker-dealer who gives notice to the Company as aforesaid being hereinafter called a " Notifying Broker-Dealer "), (ii) furnish to each Notifying Broker-Dealer who desires to participate in the Exchange Offer, without charge, as many copies of each Prospectus included in the Exchange Offer Registration Statement, including any preliminary prospectus, and any amendment or supplement thereto, as such broker-dealer may reasonably request, (iii) include in the Exchange Offer Registration Statement a statement that any broker-dealer who holds Registrable Securities acquired for its own account as a result of market-making activities or other trading activities, and who receives Exchange Securities (a " Participating Broker-Dealer ") for Registrable Securities pursuant

to the Exchange Offer, may be a statutory underwriter and must deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities, (iv) subject to the penultimate paragraph of this Section 3, the Company hereby consents to the use of the Prospectus forming part of the Exchange Offer Registration Statement or any amendment or supplement thereto by any Notifying Broker-Dealer in connection with the sale or transfer of Exchange Securities, and (v) include in the transmittal letter or similar documentation to be executed by an exchange offeree in order to participate in the Exchange Offer the following provision:

"If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Registrable Securities, it represents that the Registrable Securities to be exchanged for Exchange Securities were acquired by it as a result of market-making activities or other trading activities and acknowledges that it will deliver a prospectus meeting the requirements of the 1933 Act in connection with any resale of such Exchange Securities pursuant to the Exchange Offer; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the 1933 Act";

(B) to the extent any Notifying Broker-Dealer participates in the Exchange Offer, (i) the Company shall use its reasonable best efforts to maintain the effectiveness of the Exchange Offer Registration Statement for a period of 180 days (subject to extension pursuant to the last paragraph of this Section 3) following the last date on which exchanges are accepted pursuant to the Exchange Offer, and (ii) the Company will comply, insofar as relates to the Exchange Offer Registration Statement, the Prospectus included therein and the offering and sale of Exchange Securities pursuant thereto, with its obligations under Section 2(b)(D), the last paragraph of Section 2(b), Section 3(c), 3(d), 3(e), 3(i), 3(j), 3(k), 3(o) and 3(p), and the last two paragraphs of this Section 3 as if all references therein to a Shelf Registration Statement, the Prospectus included therein and the Holders of Registrable Securities referred, *mutatis mutandis*, to the Exchange Offer Registration Statement, the Prospectus included therein and the applicable Notifying Broker-Dealers and, for purposes of this Section 3(f), all references in any such paragraphs or sections to the "Majority Holders" shall be deemed to mean, solely insofar as relates to this Section 3(f), the Notifying Broker-Dealers who are the Holders of the majority in aggregate principal amount of the Exchange Securities which are Registrable Securities;

(C) the Company shall not be required to amend or supplement the Prospectus contained in the Exchange Offer Registration Statement as would otherwise be contemplated by Section 3(b) or 3(k) hereof, or take any other action as a result of this Section 3(f), for a period exceeding 180 days (subject to extension pursuant to the last paragraph of this Section 3) after the date on which the Exchange Offer Registration Statement is declared effective or such period of time such Notifying Broker-Dealers must comply with the prospectus delivery requirements of the 1933 Act in order to resell the Exchange Securities received in exchange for the Registrable Securities acquired for their own account as a result of market-making or other trading activity, and Notifying Broker-Dealers shall not be authorized by the Company to, and shall not, deliver such Prospectus after such period in connection with resales contemplated by this Section 3; and

(D) in the case of any Exchange Offer Registration Statement, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company agrees to deliver to such Initial Purchaser or such Participating Broker-Dealer upon the effectiveness of the Exchange Offer Registration Statement (i) an opinion of counsel or opinions of counsel in a form reasonably satisfactory to the Representatives and customarily delivered in a public offering of debt securities, (ii) officers' certificates substantially in the form customarily delivered in a public offering of debt securities and (iii) a comfort letter or comfort letters in customary form to the extent permitted by Statement on Auditing Standards No. 72 of the American Institute of Certified Public Accountants (or if such a comfort letter is not permitted, an agreed upon procedures letter in customary form) from the Company's independent certified public accountants (and, if necessary, any other independent certified public accountants of any subsidiary of the Company or of any business acquired by the Company for which financial statements are, or are required to be, included in the Registration Statement) with scope and coverage comparable to the comfort letter or comfort letters delivered to the Initial Purchasers in connection with the initial sale of the Securities to the Initial Purchasers.

(g) (i) in the case of an Exchange Offer, furnish counsel for the Initial Purchasers and (ii) in the case of a Shelf Registration, furnish counsel for the Holders of Registrable Securities and counsel for any underwriters of Registrable Securities copies of any request by the SEC or any state securities authority for amendments or supplements to a Registration Statement or Prospectus or for additional information;

(h) use its reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement as soon as practicable and provide prompt notice to each Holder of the withdrawal of any such order;

(i) in the case of a Shelf Registration, furnish to each Holder of Registrable Securities included in such Shelf Registration, upon request from such Holder and without charge, at least one conformed copy of each Registration Statement and any post-effective amendments thereto (without documents incorporated or deemed to be incorporated therein by reference or exhibits thereto, unless requested);

(j) in the case of a Shelf Registration, cooperate with the selling Holders of Registrable Securities to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends; and cause such Registrable Securities to be in such denominations (consistent with the provisions of the Indenture) and in a form eligible for deposit with the Depository and registered in such names as the selling Holders or the underwriters, if any, may reasonably request in writing at least two

Business Days prior to the closing of any sale of Registrable Securities;

(k) in the case of a Shelf Registration, upon the occurrence of any event or the discovery of any facts as contemplated by Section 3(e)(v) hereof, use its reasonable best efforts to prepare a supplement or post-effective amendment to a Registration Statement or the related Prospectus or any document incorporated or deemed to be incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities, such Prospectus will not include at the time of such delivery any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; the Company agrees to notify each Holder to suspend use of the Prospectus as promptly as practicable after the occurrence of such an event, and each Holder hereby agrees to suspend use of the Prospectus until the Company has amended or supplemented the Prospectus to correct such misstatement or omission; and at such time as such public disclosure is otherwise made or the Company determines that such disclosure is not necessary, in each case to correct any misstatement of a material fact or to include any omitted material fact, the Company agrees promptly to notify each Holder of such determination and to furnish each Holder such number of copies of the Prospectus, as amended or supplemented, as such Holder may reasonably request;

(l) obtain CUSIP numbers for all Exchange Securities or Registrable Securities, as the case may be, not later than the effective date of a Registration Statement, and provide the Trustee with printed or word-processed certificates for the Exchange Securities or Registrable Securities, as the case may be, in a form eligible for deposit with the Depository or its custodian;

(m) (i) to the extent not qualified at the effective date of a Registration Statement, cause the Indenture to be qualified under the TIA in connection with the registration of the Exchange Securities or Registrable Securities, as the case may be, (ii) cooperate with the Trustee and the Holders to effect such changes, if any, to the Indenture as may be required for the Indenture to be so qualified in accordance with the terms of the TIA and (iii) execute, and use its reasonable best efforts to cause the Trustee to execute, all documents as may be required to effect such changes, if any, and all other forms and documents required to be filed with the SEC to enable the Indenture to be so qualified in a timely manner;

(n) in the case of a Shelf Registration, the Holders of a majority in principal amount of the Registrable Securities registered pursuant to such Shelf Registration Statement shall have the right to direct the Company to effect not more than one underwritten registration and, in connection with such underwritten registration, the Company shall enter into agreements (including underwriting agreements or similar agreements) and take all other customary and appropriate actions (including those reasonably requested by the Holders of a majority in principal amount of the Registrable Securities being sold) in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, in a manner that is reasonable and customary;

(i) make such representations and warranties to the Holders of such Registrable Securities and the underwriters, in form, substance and scope as are customarily made by issuers to underwriters in similar underwritten offerings as may be reasonably requested by such Holders and underwriters;

(ii) obtain opinions of counsel to the Company (which counsel and opinions (in form, scope and substance) shall be reasonably satisfactory to the managing underwriters, and the Holders of a majority in principal amount of the Registrable Securities being sold) addressed to each selling Holder and the underwriters, covering the matters customarily covered in opinions requested in sales of securities or underwritten offerings and such other matters as may be reasonably requested by such Holders and underwriters (it being agreed that the matters to be covered by such opinion may be subject to customary qualifications and exceptions);

(iii) obtain "cold comfort" letters and updates thereof with respect to such Shelf Registration Statement and the Prospectus included therein, all amendments and supplements thereto and all documents incorporated or deemed to be incorporated by reference therein from the Company's independent certified public accountants and, if necessary, from the independent certified public accountants for any other Person or any business or assets whose financial statements are included or incorporated by reference in the Shelf Registration Statement, each addressed to the underwriters, and use reasonable best efforts to have such letters addressed to the selling Holders of Registrable Securities, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters to underwriters in connection with similar underwritten offerings and such letters to be delivered at the time of the pricing of such underwritten registration with an update to such letter to be delivered at the time of closing of such underwritten registration;

(iv) if an underwriting agreement or other similar agreement is entered into, cause the same to set forth indemnification and contributions provisions and procedures substantially equivalent to the indemnification and contributions provisions and procedures set forth in Section 5 hereof with respect to the underwriters and all other parties to be indemnified pursuant to Section 5 hereof or such other indemnification and contributions as shall be satisfactory to the Company, the applicable underwriters and the Holders of the majority in principal amount of the Registrable Securities being sold; and

(v) deliver such other documents and certificates as may be reasonably requested and as are customarily delivered in similar offerings.

The documents referred to in Sections 3(n)(ii) and 3(n)(v) shall be delivered at the closing under any underwriting or similar agreement as and to the extent required thereunder. In the case of any such underwritten offering, the Company shall provide written notice to the Holders of all Registrable Securities of such underwritten offering at least 30 days prior to the filing of a prospectus supplement for such underwritten

offering. Such notice shall (x) offer each such Holder the right to participate in such underwritten offering, (y) specify a date, which shall be no earlier than 15 days following the date of such notice, by which such Holder must inform the Company of its intent to participate in such underwritten offering and (z) include the instructions such Holder must follow in order to participate in such underwritten offering;

(o) in the case of a Shelf Registration, make available for inspection by representatives of the Holders of the Registrable Securities included in such Shelf Registration Statement who shall certify to the Company in writing that they have a current intention to sell the Registrable Securities pursuant to the Shelf Registration Statement and any underwriters participating in any disposition pursuant to a Shelf Registration Statement and any single firm of counsel or single firm of accountants retained by such Holders or underwriters, all financial statements and other records, documents and properties of the Company reasonably requested by any such Persons, and cause the respective officers, directors, employees, and any other agents of the Company to supply all information reasonably requested by any such Persons in connection with a Shelf Registration Statement, subject to such confidentiality agreements as the Company may reasonably require;

(p) (i) in the case of an Exchange Offer, a reasonable time prior to the filing of any Exchange Offer Registration Statement, any Prospectus forming a part thereof, any amendment to an Exchange Offer Registration Statement or amendment or supplement to such Prospectus (excluding documents incorporated by reference), provide copies of such documents to the Representatives, and will not file any such documents as to which the Representatives or their counsel may reasonably object prior to such filing; (ii) in the case of a Shelf Registration, a reasonable time prior to filing any Shelf Registration Statement, any Prospectus forming a part thereof, any amendment to such Shelf Registration Statement or amendment or supplement to such Prospectus (excluding documents incorporated by reference), provide copies of such document to the Holders of Registrable Securities included in such Shelf Registration Statement, to the Representatives, to the underwriter or underwriters, of an underwritten offering of Registrable Securities, and to counsel for any such Holders, Initial Purchasers or underwriters, and will not file any such documents as to which the Holders of Registrable Securities, the Representatives, any such underwriter or underwriters or any of their respective counsel may reasonably object prior to such filing; and (iii) cause the representatives of the Company to be available for discussion of such documents as shall be reasonably requested by the Holders of Registrable Securities, the Initial Purchasers on behalf of such Holders or any underwriter, and shall not at any time make any filing of any such document of which such Holders, the Representatives on behalf of such Holders, their counsel or any underwriter shall not have previously been advised and furnished a copy or to which the Majority Holders of Registrable Securities included in such Registration Statement, the Representatives on behalf of such Holders, their counsel or any underwriter shall reasonably object prior to such filing;

(q) in the case of a Shelf Registration, use its reasonable best efforts to cause the Registrable Securities to be rated with the appropriate rating agencies, if so requested by the Majority Holders of Registrable Securities or by the underwriter or underwriters of an underwritten offering, unless the Registrable Securities are already so rated;

(r) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC and, with respect to each Registration Statement and each post-effective amendment, if any, thereto and each filing by the Company of an Annual Report on Form 10-K, make available to its security holders, as soon as reasonably practicable, an earning statement covering at least twelve months which shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder;

(s) cooperate and assist in any filings required to be made with the NASD and, in the case of a Shelf Registration, in the performance of any due diligence investigation by any underwriter and its counsel;

(t) in the case of a Shelf Registration, immediately after the filing of any document which is to be incorporated by reference into a Registration Statement or a Prospectus after the initial filing of a Registration Statement, provide copies of such document to the Representatives on behalf of such Holders and, upon request of such Representatives, make representatives of the Company as shall be reasonably requested by the Holders of Registrable Securities, or the Representatives on behalf of such Holders, available for discussion of such document; and

(u) in the case of a Shelf Registration and if Exchange Securities are so listed, use its reasonable best efforts to cause all Registrable Securities to be listed on any securities exchange on which Exchange Securities are then listed if such listing of Registrable Securities included in such Shelf Registration is requested by the Majority Holders or by the underwriter or underwriters of an underwritten offering of Registrable Securities, if any.

In the case of a Shelf Registration Statement, the Company may (as a condition to such Holder's participation in the Shelf Registration) require each Holder of Registrable Securities to furnish to the Company such information regarding such Holder and the proposed distribution by such Holder of such Registrable Securities as the Company may from time to time reasonably request in writing and require such Holder to agree in writing to be bound by all provisions of this Agreement applicable to such Holder.

In the case of a Shelf Registration Statement, each Holder agrees and, in the event that any Participating Broker-Dealer is using the Prospectus included in the Exchange Offer Registration Statement in connection with the sale of Exchange Securities pursuant to Section 3(f), each such Participating Broker-Dealer agrees that, upon receipt of any written notice from the Company of the happening of any event or the discovery of any facts of the kind described in Section 3(e)(ii) through 3(e)(vi) hereof, such Holder or Participating Broker-Dealer, as the case may be, will forthwith discontinue disposition of Registrable Securities pursuant to a Registration Statement until receipt by such Holder or Participating Broker-Dealer, as the case may be, of (i) the copies of the supplemented or amended Prospectus contemplated by Section 3(k) hereof or (ii) written notice from the Company that the Shelf Registration Statement or the Exchange Offer Registration Statement, respectively, are once again effective or that no supplement or amendment is required. If so directed by the Company, such Holder or Participating Broker-Dealer, as the case may be, will deliver to the Company (at the Company's expense) all copies in its possession, other than



permanent file copies then in its possession, of the Prospectus covering such Registrable Securities current at the time of receipt of such notice. Nothing in this paragraph shall prevent the accrual of Additional Interest on any Securities, Private Exchange Securities or Exchange Securities in accordance with the terms of this Agreement.

If the Company shall give any such notice to suspend the disposition of Registrable Securities pursuant to the immediately preceding paragraph, the Company shall be deemed to have used its reasonable best efforts to keep the Shelf Registration Statement or, in the case of Section 3(f), the Exchange Offer Registration Statement, as the case may be, effective during such period of suspension; provided that (i) such period of suspension shall not exceed the time periods provided in Section 2(e)(vi) or 2(e)(vii) hereof, as the case may be, and (ii) the Company shall use its reasonable best efforts to file and have declared effective (if an amendment) as soon as practicable after such period of suspension an amendment or supplement to the Shelf Registration Statement or the Exchange Offer Registration Statement or both, as the case may be, or the Prospectus included therein and shall extend the period pursuant to Section 2(b)(i) hereof during which the Shelf Registration Statement or the Exchange Offer Registration Statement or both, as the case may be, shall be maintained effective pursuant to this Agreement (and, if applicable, the period during which Participating Broker-Dealers may use the Prospectus included in the Exchange Offer Registration Statement pursuant to Section 3(f)(C) hereof) by the number of days during the period from and including the date of the giving of such notice to and including the earlier of the date when the Holders or Participating Broker-Dealers, respectively, shall have received copies of the supplemented or amended Prospectus necessary to resume such dispositions and the effective date of written notice from the Company to the Holders or Participating Broker-Dealers, respectively, that the Shelf Registration Statement or the Exchange Offer Registration Statement, respectively, are once again effective or that no supplement or amendment is required.

4. Underwritten Registrations . If any of the Registrable Securities covered by any Shelf Registration Statement are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Majority Holders of such Registrable Securities included in such offering, subject to the consent of the Company, which consent shall not be unreasonably withheld.

No Holder of Registrable Securities may participate in any underwritten registration hereunder unless such Holder (a) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements.

#### 5. Indemnification .

(a) The Company shall, and it hereby agrees to, indemnify and hold harmless each Holder of Registrable Securities or Exchange Securities (each, a " Participant ") against any losses, claims, damages or liabilities (or actions in respect thereof), joint or several, to which such Participant may become subject under the 1933 Act, the 1934 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any such Participant, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and to reimburse such Participant for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however* , that the Company shall not be liable to any such Participant in any such case to the extent that any such loss, claim, damage, liability or action arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by such Participant expressly for use therein. The foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Participant from whom the person asserting any such losses, claims, damages or liabilities purchased Registrable Securities if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Participant to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Registrable Securities to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities.

(b) Each Participant, severally and not jointly, agrees to (i) indemnify and hold harmless the Company, against any losses, claims, damages or liabilities (or actions in respect thereto) to which the Company may become subject, under the 1933 Act, the 1934 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Registration Statement, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any Participant, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information pertaining to such Participant and furnished to the Company by such Participant expressly for use therein and (ii) reimburse the Company for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however* , that no such Participant shall be required to undertake liability to any person under this Section 5(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Participant from the sale of such Participant's Registrable Securities or Exchange Securities pursuant to a Registration Statement.

(c) Promptly after receipt by an indemnified party under Section 5(a) or (b) of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the

indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under Section 5(a) or (b). In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it shall wish, jointly with any other indemnifying party similarly notified to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party). Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party shall not be liable to such indemnified party under Section 5(a) or (b) for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party (other than reasonable costs of investigation) in connection with the defense thereof. In any such action, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include any statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If for any reason the indemnification provisions contemplated by Section 5(a) or 5(b) are unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities, (or actions in respect thereof), in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party on the one hand and such indemnified party on the other from the exchange or sale of the Securities pursuant to a Registration Statement to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 5(c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party on the one hand or by such indemnified party on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation (even if the Holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 5(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such Holder from the sale of any Registrable Securities or Exchange Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this Section 5(d) to contribute shall be several in proportion to the principal amount of Registrable Securities and Exchange Securities registered for them and not joint.

(e) The obligations of the Company under this section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Participant within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act; and the obligations of the Participants under this section shall be in addition to any liability which the respective Participants may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company and to each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act or Section 20 of the 1934 Act.

## 6. Miscellaneous .

(a) Rule 144 and Rule 144A . For so long as the Company is subject to the reporting requirements of Section 13 or 15 of the 1934 Act and any Registrable Securities remain outstanding, the Company covenants that it will file all reports required to be filed by it under Section 13(a) or 15(d) of the 1934 Act and the rules and regulations adopted by the SEC thereunder, that if it ceases to be so required to file such reports, it will upon the request of any Holder or beneficial owner of Registrable Securities (i) make publicly available such information (including, without limitation, the information specified in Rule 144(c)(2) under the 1933 Act) as is necessary to permit sales pursuant to Rule 144 under the 1933 Act, (ii) deliver or cause to be delivered, promptly following a request by any Holder or beneficial owner of Registrable Securities or any prospective purchaser or transferee designated by such Holder or beneficial owner, such information (including, without limitation, the information specified in Rule 144A(d)(4) under the 1933 Act) as is necessary to permit sales pursuant to Rule 144A under the 1933 Act, and (iii) take such further action that is reasonable in the circumstances, in each case to the extent required from time to time to enable such Holder to sell its Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (x) Rule 144 under the 1933 Act, as such Rule may be amended from time to time, (y) Rule 144A under the 1933 Act, as such Rule may be amended from time to time, or (z) any similar rules or regulations hereafter adopted by the SEC. Upon the request of any Holder

or beneficial owner of Registrable Securities, the Company will deliver to such Holder or beneficial owner a written statement as to whether it has complied with such requirements.

(b) **No Inconsistent Agreements** . The Company has not entered into nor will the Company on or after the date of this Agreement enter into any agreement which is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not and will not in any way conflict with and are not and will not be inconsistent with the rights granted to the holders of any of the Company's other issued and outstanding securities under any other agreements entered into by the Company or any of its subsidiaries.

(c) **Amendments and Waivers** . The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless the Company has obtained the written consent of Holders of a majority in aggregate principal amount of the outstanding Registrable Securities affected by such amendment, modification, supplement, waiver or departure.

(d) **Notices** . All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, telecopier, or any courier guaranteeing overnight delivery (i) if to a Holder or Participating Broker-Dealer (other than an Initial Purchaser), at the most current address set forth on the records of the registrar under the Indenture, (ii) if to an Initial Purchaser, at the most current address given by the Representatives to the Company by means of a notice given in accordance with the provisions of this Section 6(d), which address initially is the address set forth in the Purchase Agreement; (iii) if to the Company, initially at 100 CenturyTel Drive, Monroe, Louisiana 71203, Attention: Harvey P. Perry, Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, or at such other address, notice of which is given in accordance with the provisions of this Section 6(d) and (iv) if to any underwriter, at the most current address given by such underwriter to the Company by means of a notice given in accordance with the provisions of this Section 6(d), which address initially shall be the address set forth in the applicable underwriting agreement.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five Business Days after being deposited in the mail, first class, postage prepaid, if mailed; when receipt is acknowledged, if telecopied; and on the next Business Day if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee, at the address specified in the Indenture.

(e) **Successors and Assigns** . This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of each of the parties, including, without limitation and without the need for an express assignment, subsequent Holders; provided that nothing herein shall be deemed to permit any assignment, transfer or other disposition of Registrable Securities in violation of the terms hereof or of the Purchase Agreement or the Indenture. If any transferee of any Holder shall acquire Registrable Securities, in any manner, whether by operation of law or otherwise, such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities, such Person shall be conclusively deemed to have agreed to be bound by and to perform all of the terms and provisions of this Agreement, including the restrictions on resale set forth in this Agreement and, if applicable, the Purchase Agreement, and such Person shall be entitled to receive the benefits hereof.

(f) **Third Party Beneficiary** . Each Holder shall be a third party beneficiary of the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of other Holders hereunder. Each Holder, by its acquisition of Securities, shall be deemed to have agreed to the provisions of Section 5(b) hereof.

(g) **Counterparts** . This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(h) **Headings** . The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(i) **Restriction on Resales** . If (i) the Company or any of its subsidiaries or affiliates (as defined in Rule 144 under the 1933 Act) shall redeem, purchase or otherwise acquire any Registrable Security or any Exchange Security which is a "restricted security" within the meaning of Rule 144 under the 1933 Act, the Company will deliver or cause to be delivered such Registrable Security or Exchange Security, as the case may be, to the Trustee for cancellation and neither the Company nor any of its subsidiaries or affiliates will hold or resell such Registrable Security or Exchange Security or issue any new Security or Exchange Security to replace the same except for any such security resold in a transaction registered under the 1933 Act.

(j) **Governing Law** . THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(k) **Severability** . In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and

of the remaining provisions contained herein shall not be affected or impaired thereby.

(l) Authority of Representatives

. In executing this Agreement, the Representatives are acting on behalf of each Initial Purchaser and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Initial Purchaser made or given by any of the Representatives.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CenturyTel, Inc.

By: /s/ R. Stewart Ewing, Jr.  
Name: R. Stewart Ewing, Jr.  
Title: Executive Vice President and  
Chief Financial Officer

Confirmed and accepted as of the date first written above:

Banc of America Securities LLC  
J.P. Morgan Securities Inc.  
Wachovia Securities, Inc

By: BANC OF AMERICA SECURITIES LLC

By: /s/ Lily Chang  
Name: Lily Chang  
Title: Principal

Acting on behalf of themselves and as the  
Representatives of the several Initial Purchasers

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**ANNEX A**

**PLAN OF DISTRIBUTION**

Each broker-dealer that receives new notes for its own account under the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of those notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer for resales of new notes received in exchange for original notes that had been acquired as a result of market-making or other trading activities. We have agreed that, for a period of 180 days after the expiration date of the exchange offer, we will make this prospectus, as it may be amended or supplemented, available to any broker-dealer for use in connection with any such resale. Any broker-dealers required to use this prospectus and any amendments or supplements to this prospectus for resales of the new notes must notify us of this fact by checking the box on the letter of transmittal requesting additional copies of these documents.

Notwithstanding the foregoing, we are entitled under the registration rights agreement to suspend the use of this prospectus by broker-

dealers under specified circumstances. For example, we may suspend the use of this prospectus if:

- the SEC or any state securities authority requests an amendment or supplement to this prospectus or the related registration statement or additional information;
- the SEC or any state securities authority issues any stop order suspending the effectiveness of the registration statement or initiates proceedings for that purpose;
- we receive notification of the suspension of the qualification of the new notes for sale in any jurisdiction or the initiation or threatening of any proceeding for that purpose;
- the suspension is required by law;
- such action is taken by us in good faith and for valid business reason, including the possible acquisition or divestiture of assets or a material corporate transaction or event; or
- an event occurs or we discover any fact or condition that makes any statement in this prospectus untrue in any material respect or which constitutes an omission to state a material fact in this prospectus.

If we suspend the use of this prospectus, the 180-day period referred to above will be extended by a number of days equal to the period of the suspension.

We will not receive any proceeds from any sale of new notes by broker-dealers. New notes received by broker-dealers for their own account under the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on those notes or a combination of those methods, at market prices prevailing at the time of resale, at prices related to prevailing market prices or at negotiated prices. Any resales may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from the selling broker-dealer or the purchasers of the new notes. Any broker-dealer that resells new notes received by it for its own account under the exchange offer and any broker or dealer that participates in a distribution of the new notes may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any resale of new notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

We have agreed to pay all expenses incidental to the exchange offer other than commissions and concessions of any broker or dealer and will indemnify holders of the new notes, including any broker-dealers, against certain liabilities, including liabilities under the Securities Act or contribute to payments that they may be required to make in request thereof.

**Exhibit 5.1  
to Registration Statement**

[Letterhead of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

October 9, 2002

CenturyTel, Inc.  
100 CenturyTel Drive  
Monroe, Louisiana 71203

Re: Registration Statement on Form S-4  
\$500,000,000 aggregate principal amount of  
7.875% Senior Notes, Series L, due 2012

Ladies and Gentlemen:

We have acted as special counsel to CenturyTel, Inc. ("CenturyTel") in connection with the preparation of CenturyTel's registration statement on Form S-4 (the "Registration Statement"), filed on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to CenturyTel's offer to exchange (the "Exchange Offer") up to \$500 million aggregate principal amount of CenturyTel's registered 7.875% Senior Notes, Series L, due 2012 (the "Exchange Notes") for a like principal amount of

CenturyTel's outstanding unregistered 7.875% Senior Notes, Series L, due 2012 (the "Outstanding Notes"). The Exchange Notes will be issued under an Indenture, dated as of March 31, 1994, as supplemented, between CenturyTel and Regions Bank, as trustee (the "Indenture").

In rendering the opinion set forth below, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents and are relying upon the truth and accuracy of the statements, covenants, representations and warranties set forth therein: (i) the Registration Statement; (ii) the Indenture; (iii) a form of certificates representing the Exchange Notes; (iv) minutes from the meetings of the Board of Directors of CenturyTel held on February 22, 1994 and February 26, 2002 and resolutions adopted by the Special Pricing Committee of the Board of Directors of CenturyTel on August 20, 2002; (v) CenturyTel's amended and restated articles of incorporation and CenturyTel's bylaws, as amended, each as certified to our satisfaction, and (vi) certain certificates, documents and other instruments delivered prior to the date hereof in connection with the issuance of the Outstanding Notes, including, without limitation, certain opinions and certificates delivered to the initial purchasers of the Outstanding Notes and certificates and orders relating to the authentication and delivery of the Outstanding Notes. We have also, without independent investigation or verification, relied upon factual representations made by CenturyTel during the course of our representation and upon such other documents, records, certificates and other instruments, including certificates or other written or oral advice of officers of CenturyTel, as we considered necessary or appropriate in connection with rendering the opinions expressed below.

In our examination of such documents, we have assumed without independent verification (i) that each of the documents and instruments reviewed by us has been duly authorized, executed and delivered by each of the parties thereto other than CenturyTel and is enforceable against such parties in accordance with the terms thereof, (ii) the authenticity of all documents and instruments submitted to us as originals, (iii) the conformity to the originals of all documents and instruments submitted to us as conformed, certified or photostatic copies, (iv) the accuracy and completeness of all corporate records made available to us by CenturyTel, (v) the absence of any other documents, instruments, records, agreements or understandings that alter, modify or change in any way the terms of the Indenture or the Exchange Notes, or the validity or accuracy of the representations made to us orally or as set forth in any documents, instruments, records or agreements provided to or reviewed by us, (vi) the genuineness of all signatures on all documents and instruments examined by us and (vii) the power and legal capacity of all persons (other than CenturyTel) who have executed documents reviewed by us hereunder.

Based upon the foregoing, and subject to the qualifications stated herein, we are of the opinion that:

When the Exchange Notes issuable upon consummation of the Exchange Offer have been (i) duly executed by CenturyTel and authenticated by the trustee therefore in accordance with the terms of the Indenture and (ii) duly issued and delivered against the receipt of Outstanding Notes surrendered in exchange therefore, and if a court of appropriate jurisdiction were to hold that the Exchange Notes were governed by and to be construed under the laws of the State of Louisiana, the Exchange Notes will constitute the legal, valid and binding obligations of CenturyTel, enforceable against CenturyTel in accordance with their terms, except that (a) the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally, (b) the enforceability thereof will be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or equity) and that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought, and (c) certain provisions contained in the Indenture and the Exchange Notes relating to remedies may be limited by public policy, equitable principles or other provisions of applicable laws, rules, regulations, court decisions or constitutional requirements.

The foregoing opinions are subject to the following exceptions, qualifications, and comments:

(a) In connection with our foregoing opinions, we have assumed that neither the issuance and delivery of the Exchange Notes, nor the compliance by CenturyTel with the terms of the Exchange Notes, will violate any applicable law or regulation (including those relating to the regulation of communications companies) or will result in a violation of any provision of any instrument or agreement then binding upon CenturyTel, or any restriction imposed by any court or governmental body having jurisdiction over CenturyTel or its assets.

(b) We are members of the bar of the State of Louisiana and do not purport to be experts on the laws of any other jurisdiction. The opinions rendered herein are specifically limited to currently applicable United States federal law and the laws of the State of Louisiana, in each case subject to paragraph (a) above and in each case solely as they relate to the opinions expressed herein.

(c) The foregoing opinion regarding the enforceability of the Exchange Notes is subject to the following exceptions, qualifications and comments:

- (i) the possible unenforceability of provisions permitting modifications of an agreement only in writing;
- (ii) the possible unenforceability of provisions that the terms of an agreement are severable;
- (iii) the effect of laws requiring mitigation of damages;
- (iv) the effect and possible unenforceability of contractual provisions providing for choice of governing law;

(v) the possible unenforceability of provisions requiring indemnification for, or providing exculpation, release or exemption from liability for, action or inaction, to the extent such action or inaction involves negligence or willful misconduct or to the extent otherwise contrary to public policy;

(vi) the possible unenforceability of waivers or advance consents that have the effect of waiving a party's unmatured rights;

(vii) the possible unenforceability of provisions that waivers or consents by a party may not be given effect unless in writing or in compliance with particular requirements or that a person's course of dealing, course of performance, or the like or failure or delay in taking actions may not constitute a waiver of related rights or provisions or that one or more waivers may not constitute a waiver of related rights or provisions or that one or more waivers may not under certain circumstances constitute a waiver of other matters of the same kind; and

(viii) the possible unenforceability of provisions permitting the exercise, under certain circumstances, of rights without notice or without providing opportunity to cure failures to perform.

(d) All opinions rendered herein are as of the date hereof and are based upon the circumstances that exist at the present time, including, without limitation, statutes, cases, regulations, facts and circumstances as they currently exist, all of which are subject to change. We assume no obligation to update or supplement this letter or the opinions given herein to reflect any facts or circumstances which may hereafter come to our attention, or any changes in laws or interpretations thereof which may hereafter occur.

(e) Except as to the matters, documents and transactions specifically addressed herein, we express no opinion whatsoever, and no opinion whatsoever is to be inferred, as to any other matter, document or transaction.

This opinion is furnished to you in connection with the filing of the Registration Statement and is not to be used, circulated, quoted or otherwise relied upon for any other purpose.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our name in the prospectus contained therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the general rules and regulations of the Securities and Exchange Commission.

Very truly yours,

Jones, Walker, Waechter, Poitevent,  
Carrère & Denègre, L.L.P.

By: /s/ Kenneth J. Najder  
Kenneth J. Najder  
Partner

## Exhibit 12.1 to Registration Statement

### Ratio of earnings to fixed charges

	Six months ended June 30, 2002	Non-recurring items	Six months ended June 30, 2002 excluding non-recurring items	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items	1998	Non-recurring items	1998 excluding non-recurring items	199
Net income	149,530	9,289	158,819	343,031	(117,370)	225,661	231,474	(2,646)	228,828	239,769	(1,452)	238,317	228,757	(30,528)	198,229	255,1
Income taxes	81,880	5,002	86,882	210,025	(66,698)	143,327	154,711	(4,166)	150,545	189,503	(36,821)	152,682	158,701	(19,331)	139,370	152,1
Net income before income taxes	231,410	14,291	245,701	553,056	(184,068)	368,988	386,185	(6,812)	379,373	429,272	(38,273)	390,999	387,458	(49,859)	337,599	408,1
Adjustments to earnings:																
Fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870		168,870	58,1
Capitalized interest	(840)		(840)	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)	(626)		(626)	(7
Preferred stock dividend requirement before tax	(306)		(306)	(654)		(654)	(664)		(664)	(675)		(675)	(692)		(692)	(7
Gross earnings from unconsolidated cellular partnerships	(24,196)		(24,196)	(42,553)	(7,890)	(50,443)	(26,986)	(5,330)	(32,316)	(29,956)	(6,860)	(36,816)	(32,869)	-	(32,869)	(27,8

Distributed earnings from unconsolidated											
cellular partnerships	12,676	12,676	30,856	30,856	35,842	35,842	22,219	22,219	26,515	26,515	16,342
Gross losses from unconsolidated											
cellular partnerships		0	15,093	15,093	-	-	2,281	2,281	-	-	-
Minority losses from majority-owned											
subsidiaries	(61)	(61)	(127)	(127)	(1,702)	(1,702)	(10)	(10)	(37)	(37)	(1,400)
Earnings as adjusted	324,634	338,925	781,848	589,890	576,641	564,499	574,363	529,230	548,619	498,760	452,619
Fixed charges											
Interest expense	104,805	104,805	225,523	225,523	183,302	183,302	150,557	150,557	167,552	167,552	56,400
Allowance for funds used during construction	840	840	3,472	3,472	3,800	3,800	1,990	1,990	626	626	-
Preferred stock dividend requirement before tax	306	306	654	654	664	664	675	675	692	692	-
Total fixed charges	105,951	105,951	229,649	229,649	187,766	187,766	153,222	153,222	168,870	168,870	58,400
Ratio of earnings to fixed charges and preferred											
stock dividends	3.06	3.20	3.40	2.57	3.07	3.01	3.75	3.45	3.25	2.95	7.00

#### Ratio of earnings from continuing operations to fixed charges and preferred stock dividends

	Six months ended June 30, 2002	Non-recurring items	Six months ended June 30, 2002 excluding non-recurring items	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items	1998	Non-recurring items
Income from continuing operations	83,065	9,289	92,354	144,146	(16,377)	127,769	124,229	5,494	129,723	135,520	(5,571)	129,949	116,272	(18,255)
Income taxes from continuing operations	44,636	5,002	49,638	88,711	(8,666)	80,045	83,542	2,957	86,499	88,560	(2,964)	85,596	83,731	(9,830)
Net income from continuing operations														
before income taxes	127,701	14,291	141,992	232,857	(25,043)	207,814	207,771	8,451	216,222	224,080	(8,535)	215,545	200,003	(28,085)
Adjustments to earnings (from continuing operations):														
Fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870	
Capitalized interest	(840)		(840)	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)	(626)	
Preferred stock dividend requirement before tax	(306)		(306)	(654)		(654)	(664)		(664)	(675)		(675)	(692)	
Minority losses from majority-owned subsidiaries	-		-	(35)		(35)	(1,614)		(1,614)	-		-	-	
Earnings from continuing operations as adjusted	232,506		246,797	458,345		433,302	389,459		397,910	374,637		366,102	367,555	
Fixed charges from continuing operations:														
Interest expense	104,805		104,805	225,523		225,523	183,302		183,302	150,557		150,557	167,552	
Allowance for funds used during construction	840		840	3,472		3,472	3,800		3,800	1,990		1,990	626	
Preferred stock dividend requirement before tax	306		306	654		654	664		664	675		675	692	
Total fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870	
Ratio of earnings from continuing operations to fixed														
charges and preferred stock dividends	2.19		2.33	2.00		1.89	2.07		2.12	2.45		2.39	2.18	



## **Independent Auditors' Consent**

The Board of Directors  
CenturyTel, Inc.:

We consent to the use of our report incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Shreveport, Louisiana  
October 9, 2002

**Exhibit 23.2  
to Registration Statement**

## **Consent of Independent Auditors**

We consent to the reference to our firm under the caption "Experts" in the Registration Statement and related Prospectus of CenturyTel, Inc. dated October 10, 2002 for the registration of \$500,000,000 7.875% Senior Notes, Series L, due 2012 and to the incorporation by reference therein of our report dated April 24, 2002 (except for Note 1, as to which the date is July 1, 2002) with respect to the special purpose financial statements of Verizon's Alabama Operations for the year ended December 31, 2001 and our report dated April 24, 2002 (except for Note 1, as to which the date is August 31, 2002), with respect to the special purpose financial statements of Verizon's Missouri Operations for the year ended December 31, 2001 included in the Current Reports on Form 8-K of CenturyTel, Inc. dated August 1, 2002 and August 31, 2002, respectively, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP  
New York, New York  
October 8, 2002

**Exhibit 25.1  
to Registration Statement**

# **SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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## **FORM T-1**

### **STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

**CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY**

# OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)\_\_\_

## REGIONS BANK

(Exact names of trustees as specified in its charter)

### Alabama State Banking Corporation

(Jurisdiction of incorporation or organization  
if not a U.S. national bank)

**417 North 20th Street  
Birmingham, Alabama**

(Address of principal executive offices)

**63-0371391**

(I.R.S. Employer Identification No.)

**35202**

(Zip Code)

**Robert B. Rinehart**

**Regions Bank**

**60 Commerce Street**

**Montgomery, Alabama 36104**

**334-230-6120**

(Name, address and telephone number  
of agent for service)

## C ENTURY T EL , I NC .

(Exact names of obligors as specified in their charters)

**Louisiana**

(States or other jurisdictions of  
incorporation or organization)

**72-0651161**

(I.R.S. Employer Identification Nos)

**100 CenturyTel Drive**

**Monroe, Louisiana**

(Address of principal executive offices)

**71203**

(Zip Code)

**7.875% SENIOR NOTES, SERIES L, DUE 2012**

(Title of the indenture securities)

### Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Federal Reserve Bank of Atlanta, Atlanta, Georgia  
Alabama State Banking Department, Montgomery, Alabama.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes

### Item 2. Affiliations with the obligor.

None. Certain officers and directors of CenturyTel, Inc. (namely, Glen F. Post, III, Chief Executive Officer and Chairman of the Board, and William R. Boles, Jr., Director) act as non-voting regional advisory directors of an affiliate of Regions Bank, Regions Bank of Louisiana. Pursuant to Rule 7a-26 of the Trust Indenture Act of 1939, Regions Bank consequently disclaims the existence or admission of any control relationship arising out of these relationships.

### Item 16. List of exhibits.

The additional exhibits listed below are filed herewith: (Exhibits, if any, identified in parentheses are on file with the Commission and are incorporated herein by reference as exhibits hereto pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 and Rule 24 of the Commissions Rules of Practice.)

- 1a. Restated Articles of Incorporation of the Trustee. (Exhibit 1 to Form T-1, Registration No. 22-21909).
- 1b. Articles of Amendment to Restated Articles of Incorporation of the Trustee. (Exhibit 1b to Form T-1, filed in connection with the Current Report on Form 8-K of BellSouth Telecommunications, Inc. dated October 9, 1997).
2. Not applicable.
3. Authorization of the Trustee to exercise corporate trust powers (Exhibit 3 to Form T-1, Registration No. 22-21909).
4. Bylaws of the Trustee. (Exhibit 4 to Form T-1, Registration No. 33-60351).
5. Not applicable.
6. Consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, as amended.
7. Latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority as of the close of business on December 31, 2001.
8. Not applicable.
9. Not applicable.

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SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, Regions Bank, a state banking corporation organized and existing under the laws of the State of Alabama, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Montgomery and State of Alabama, on the 9th day of October, 2002.

REGIONS BANK

By: /s/ Robert B. Rinehart

Robert B. Rinehart  
Senior Vice President and Corporate  
Trust Manager

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**EXHIBIT 6 TO FORM T-1**

CONSENT OF TRUSTEE

Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		\$1,068,908
Interest-bearing balances		6,881
Securities:		
Held to maturity securities		7,228
Available for sale securities		8,180,308
Federal Funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's:		
Federal funds sold and securities purchased under agreements to resell		344,644
Loans and lease financing receivables:		
Loans and leases, net of unearned income	\$31,424,939	
Less: Allowance for loan and lease losses	430,803	
Less: Allocated transfer risk reserve	0	
Loans and leases, net of unearned income, allowance, and reserve		30,994,136
Trading assets		0
Premises and fixed assets (including capitalized leases)		591,805
Other real estate owned		52,092
Investments in unconsolidated subsidiaries and associated companies		123,622
Customers liability to this bank on acceptances outstanding		53,844
Intangible assets:		

Goodwill	144,602
Other intangible assets	158,311
Other assets	1,013,845
<b>TOTAL ASSETS</b>	<b>\$42,994,419</b>

		<b>DOLLAR AMOUNT IN THOUSANDS</b>
<b><u>LIABILITIES</u></b>		
Deposits:		
In domestic offices		\$ 28,493,438
Noninterest-bearing	\$ 2,834,346	
Interest-bearing	25,659,092	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		3,215,919
Noninterest-bearing	0	
Interest-bearing	3,215,919	
Federal funds purchased and securities sold under agreements to repurchase		1,521,041
Trading liabilities		0
Other borrowed money		5,590,919
Bank's liability on acceptances executed and outstanding		53,844
Subordinated notes and debentures		46,951
Other liabilities		496,418
<b>TOTAL LIABILITIES</b>		<b>39,418,530</b>
Minority interest in consolidated subsidiaries		156,676
<b><u>EQUITY CAPITAL</u></b>		
Perpetual Preferred Stock and Related Surplus		0
Common stock		103
Surplus		1,052,167
Retained earnings		2,240,485
Accumulated other comprehensive income		126,458
Other equity capital components		0
<b>TOTAL EQUITY CAPITAL</b>		<b>3,419,213</b>
<b>TOTAL LIABILITIES, MINORITY INTEREST AND EQUITY CAPITAL</b>		<b>\$ 42,994,419</b>

**Exhibit 99.1  
to Registration Statement**

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON \_\_\_\_\_, 2002 UNLESS EXTENDED (THE "EXPIRATION DATE").

**CENTURYTEL, INC.**

**LETTER OF TRANSMITTAL  
FOR**

**OFFER TO EXCHANGE  
\$500,000,000 REGISTERED 7.875% SENIOR NOTES, SERIES L, DUE 2012  
FOR**

**ALL OUTSTANDING UNREGISTERED 7.875% SENIOR NOTES, SERIES L, DUE 2012**

THE EXCHANGE AGENT  
FOR THE EXCHANGE OFFER IS:

REGIONS BANK

*For Delivery by Mail/  
Hand Delivery/Overnight Delivery:*

Regions Bank, Corporate Trust Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

*For Delivery by Registered  
or Certified Mail:*

Regions Bank, Corporate Trust Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

*By Facsimile Transmission (for eligible institutions only):*

(334) 230-6150

*To Confirm Receipt:*

(334) 230-6119

*For Information Call:*

(334) 230-6119

(Originals of all documents sent by facsimile should be sent promptly by registered or certified mail, by hand or by overnight delivery service.)

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED HEREIN SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED. PLEASE DO NOT DELIVER THIS LETTER OF TRANSMITTAL TO CENTURYTEL, INC.

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By completing this letter of transmittal ("Letter of Transmittal"), you acknowledge that you have received and reviewed the prospectus dated October \_\_, 2002 (the "Prospectus") of CenturyTel, Inc. ("CenturyTel") and this Letter of Transmittal, which together constitute the "Exchange Offer." This Letter of Transmittal and the Prospectus have been delivered to you in connection with CenturyTel's offer to exchange \$500,000,000 in aggregate principal amount of its 7.875% Senior Notes, Series L, due 2012 (the "Exchange Notes"), which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), for the same amount of its outstanding unregistered 7.875% Senior Notes, Series L, due 2012 (the "Outstanding Notes"). Because the Outstanding Notes were issued as global notes, this Letter of Transmittal generally assumes that a Holder (as defined below) of Outstanding Notes will tender their Outstanding Notes through book-entry transfer, although supplemental information regarding the delivery of certificated notes is also included in the unlikely event that certificated notes are substituted for the global notes.

CenturyTel reserves the right, at any time or from time to time, to extend the Exchange Offer at its discretion, in which event the term "Expiration Date" shall mean the latest date to which the Exchange Offer has been extended. CenturyTel shall notify the Exchange Agent and each registered holder of the related Outstanding Notes of any extension by press release or other public announcement prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date.

This Letter of Transmittal is to be completed by a Holder of Outstanding Notes if:

- (1) the Holder is delivering certificates for Outstanding Notes with this document; or
- (2) the tender of certificates for Outstanding Notes will be made by book-entry transfer to the account maintained by Regions Bank, the exchange agent (the "Exchange Agent") for these notes, at The Depository Trust Company ("DTC") according to the procedures described in the Prospectus under the heading "The Exchange Offer - Exchange Offer Procedures." Please note that delivery of documents required by this Letter of Transmittal to DTC does not constitute delivery to the Exchange Agent.

You must tender your Outstanding Notes according to the guaranteed delivery procedures described in this document if:

- (1) you cannot deliver your Outstanding Notes, this Letter of Transmittal and all required documents to the Exchange Agent on or before the Expiration Date; or
- (2) you are unable to obtain confirmation of a book-entry tender of your Outstanding Notes into the Exchange Agent's account at DTC on or before the Expiration Date.

More complete information about guaranteed delivery procedures is contained in the Prospectus under the heading "The Exchange Offer - Exchange Offer Procedures - Guaranteed Delivery Procedures."

As used in this Letter of Transmittal, the term "Holder" means (1) any person in whose name Outstanding Notes are registered on the books of CenturyTel, (2) any other person who has obtained a properly executed bond power from the registered Holder or (3) any person whose Outstanding Notes are held of record by DTC who desires to deliver such notes by book-entry transfer at DTC. You should use this Letter of Transmittal to indicate whether or not you would like to participate in the Exchange Offer. If you decide to tender your Outstanding Notes, you must complete or agree to be bound by this entire Letter of Transmittal in the manner provided in the Prospectus.

PLEASE READ THE ENTIRE LETTER OF TRANSMITTAL AND THE PROSPECTUS CAREFULLY BEFORE CHECKING ANY BOX BELOW. IF YOU HAVE QUESTIONS OR NEED HELP, OR IF YOU WOULD LIKE ADDITIONAL COPIES OF THE PROSPECTUS AND THIS LETTER OF TRANSMITTAL, YOU SHOULD CONTACT THE EXCHANGE AGENT AT (334) 230-6119 OR AT ITS ADDRESS SET FORTH ABOVE.

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Please list below the Outstanding Notes to which this Letter of Transmittal relates. If the space below is inadequate, list the registered numbers and principal amount on a separate signed schedule and affix the list to this Letter of Transmittal.

#### DESCRIPTION OF OUTSTANDING NOTES TENDERED

Name(s) and Address(es) of Registered Owner(s) as (it/they) appear(s) on the Outstanding Notes	Certificate Numbers of Outstanding Notes*	Aggregate Principal Amount Represented by Outstanding Notes	Principal Amount Tendered
Total Principal Amount of Outstanding Notes Tendered**			
(If additional space is required, attach a continuation sheet in substantially the above form.)			

\* Need not be completed by book-entry holders.

\*\* Unless otherwise indicated, any tendering holder of Outstanding Notes will be deemed to have tendered the entire aggregate principal amount represented by such Outstanding Notes. All tenders must be in integral multiples of \$1,000.

#### METHOD OF DELIVERY

☐ Check here if tendered Outstanding Notes are enclosed herewith.

☐ Check here if tendered Outstanding Notes are being delivered by book-entry transfer made to an account maintained by the Exchange Agent with a Book-Entry Transfer Facility and complete the following:

Name of Tendering Institution:

Account Number:

Transaction Code Number:

☐ Check here if tendered Outstanding Notes are being delivered pursuant to a Notice of Guaranteed Delivery and complete the following:

Name(s) of Registered Holder(s):

---

Date of Execution of Notice of Guaranteed Delivery: \_\_\_\_\_

Window Ticket Number (if available): \_\_\_\_\_

Name of Eligible Institution that guaranteed delivery: \_\_\_\_\_

Account Number (if delivered by book-entry transfer): \_\_\_\_\_

**SIGNATURES MUST BE PROVIDED BELOW**  
**PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY**

Ladies and Gentlemen:

According to the terms and conditions of the Exchange Offer, I hereby tender to CenturyTel the principal amount of Outstanding Notes indicated above. At the time these notes are accepted by CenturyTel, and exchanged for the same principal amount of Exchange Notes, I will assign and transfer to CenturyTel all right, title and interest in and to the Outstanding Notes I have tendered. I am aware that the Exchange Agent also acts as the agent of CenturyTel. By executing this document, I irrevocably appoint the Exchange Agent as my agent and attorney-in-fact for the tendered Outstanding Notes with full power of substitution to:

1. deliver certificates for the Outstanding Notes, or transfer ownership of the Outstanding Notes on the account books maintained by DTC, to CenturyTel and deliver all accompanying evidences of transfer and authenticity to CenturyTel; and
2. present the Outstanding Notes for transfer on the books of CenturyTel and receive all benefits and exercise all rights of beneficial ownership of these Outstanding Notes, according to the terms of the Exchange Offer. The power of attorney granted in this paragraph is irrevocable and coupled with an interest.

I represent and warrant that I have full power and authority to tender, exchange, assign, and transfer the Outstanding Notes that I am tendering. I represent and warrant that CenturyTel will acquire good and unencumbered title to the Outstanding Notes, free and clear of all liens, restrictions, charges and encumbrances and that the Outstanding Notes will not be subject to any adverse claim at the time CenturyTel acquires them. I further represent that:

1. any Exchange Notes that I acquire in exchange for Outstanding Notes that I tender will be acquired in the ordinary course of business;
2. I have not engaged in, and do not intend to engage in, any distribution of any Exchange Notes;
3. I have no arrangement or understanding with any person to participate in any distribution of any Exchange Notes; and
4. I am not an affiliate (as defined in Rule 405 promulgated under the Securities Act) of CenturyTel.

I understand that the Exchange Offer is being made in reliance on interpretations contained in no-action letters issued to third parties by the staff of the Securities and Exchange Commission. These no-action letters provide that the Exchange Notes issued in exchange for the Outstanding Notes in the Exchange Offer may be offered for resale, resold, or otherwise transferred by a Holder of Exchange Notes (other than any such Holder that is an "affiliate" of CenturyTel within the meaning of Rule 405 under the Securities Act) without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that such Exchange Notes are acquired in the ordinary course of the Holder's business and the Holder does not intend to participate in the distribution of the Exchange Notes.

If I am not a broker-dealer, I represent that I am not engaged in, and do not intend to engage in, a distribution of the Exchange Notes. If I am a broker-dealer that will receive Exchange Notes for my own account in exchange for Outstanding Notes for my own account (an "Exchanging Dealer"), I represent that I acquired the Outstanding Notes to be exchanged for Exchange Notes as a result of market-making activities or other trading activities and acknowledge that I will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the Exchange Notes; however, by so acknowledging and by delivering a prospectus, I will not be deemed to admit that I am an "underwriter" within the meaning of the Securities Act.

I further represent and warrant that I am not acting on behalf of any person or persons who could not truthfully and completely make the foregoing representations and warranties.



CenturyTel has agreed that, subject to the terms and conditions of the registration rights agreement described in the Prospectus, it will use its best efforts to make the Prospectus, as it may be amended or supplemented from time to time, available to an Exchanging Dealer in connection with resales of Exchange Notes received in exchange for Outstanding Notes, where such Outstanding Notes were acquired by such Exchanging Dealer for its own account as a result of market-making activities or other trading activities, for a period ending 180 days after the Expiration Date (subject to extension under certain limited circumstances described in the Prospectus). In that regard, if I am an Exchanging Dealer, by tendering such Outstanding Notes and executing this Letter of Transmittal, I agree that, upon receipt of notice from CenturyTel of the occurrence of any event or the discovery of any fact which makes any statement contained or incorporated by reference in the Prospectus untrue in any material respect or which causes the Prospectus to omit to state a material fact necessary in order to make the statements contained or incorporated by reference therein, in light of the circumstances under which they were made, not misleading or of the occurrence of certain other events specified in the registration rights agreement, I will suspend the sale of Exchange Notes pursuant to the Prospectus until CenturyTel has amended or supplemented the Prospectus to correct such misstatement or omission and have furnished copies of the amended or supplemented Prospectus to the Exchanging Dealer or CenturyTel has given notice that the sale of the Exchange Notes may be resumed, as the case may be. If CenturyTel gives such notice to suspend the sale of the Exchange Notes, they shall extend the 180-day period referred to above during which Exchanging Dealers are entitled to use the Prospectus in connection with the resale of Exchange Notes by the number of days during the period from and including the date of the giving of such notice to and including the date when Exchanging Dealers shall have received copies of the supplemented or amended Prospectus necessary to permit resales of the Exchange Notes or to and including the date on which CenturyTel has given notice that the sale of Exchange Notes may be resumed, as the case may be.

Upon request, I will execute and deliver any additional documents deemed by the Exchange Agent or CenturyTel to be necessary or desirable to complete the assignment, transfer, and purchase of the Outstanding Notes I have tendered.

I understand that CenturyTel will be deemed to have accepted validly tendered Outstanding Notes when CenturyTel gives oral or written notice of acceptance to the Exchange Agent.

If, for any reason, any tendered Outstanding Notes are not accepted for exchange in the Exchange Offer, certificates for those unaccepted Outstanding Notes will be returned to me without charge at the address shown below or at a different address if one is listed under "Special Delivery Instructions." Any unaccepted Outstanding Notes which had been tendered by book-entry transfer will be credited to an account at DTC promptly following the Expiration Date.

All authority granted or agreed to be granted by this Letter of Transmittal shall survive my death or incapacity or, if I am a corporation or institution, my dissolution, and every obligation under this Letter of Transmittal is binding upon my heirs, legal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives.

I understand that tenders of Outstanding Notes according to the procedures described in the Prospectus under the heading "The Exchange Offer - Exchange Offer Procedures" and in the instructions included in this document constitute a binding agreement between myself and CenturyTel subject to the terms and conditions of the Exchange Offer.

Unless I have described other instructions in this Letter of Transmittal under the section "Special Issuance Instructions," please issue the certificates representing Exchange Notes issued in exchange for my tendered and accepted Outstanding Notes in my name, and issue any replacement certificates for Outstanding Notes not tendered or not exchanged in my name. Similarly, unless I have instructed otherwise under the section "Special Delivery Instructions," please send the certificates representing the Exchange Notes issued in exchange for tendered and accepted Outstanding Notes and any certificates for Outstanding Notes that were not tendered or not exchanged, as well as any accompanying documents, to me at the address shown below my signature. If both "Special Payment Instructions" and "Special Delivery Instructions" are completed, please issue the certificates representing the Exchange Notes issued in exchange for my tendered and accepted Outstanding Notes in the name(s) of, and return any Outstanding Notes that were not tendered or exchanged and send such certificates to, the person(s) so indicated. I understand that if CenturyTel does not accept any of the tendered Outstanding Notes for exchange, CenturyTel has no obligation to transfer any Outstanding Notes from the name of the registered Holder(s) according to my instructions in the "Special Payment Instructions" and "Special Delivery Instructions" sections of this document.

#### **SPECIAL ISSUANCE INSTRUCTIONS** (SEE INSTRUCTIONS 4, 5 AND 6)

To be completed only (i) if Outstanding Notes in a principal amount not tendered, or Exchange Notes issued in exchange for Outstanding Notes accepted for exchange, are to be issued in the name of someone other than you, or (ii) if Outstanding Notes tendered by book-entry transfer which are not exchanged are to be returned by credit to an account maintained at the Book-Entry Transfer Facility. Issue Exchange Notes and/or Outstanding Notes to:

#### **SPECIAL DELIVERY INSTRUCTIONS** (SEE INSTRUCTIONS 4, 5 AND 6)

To be completed ONLY if any of the notes described in the adjacent "Special Issuance Instructions" box are to be sent to someone other than you or to you at an address other than as indicated above or in the adjacent "Special Issuance Instructions" box.

Mail certificates to:

Name

Name _____ _____ (Type or Print)	Address _____ _____ _____ _____ (Zip Code)
Address _____ _____ _____ _____ (Zip Code)	_____ _____ _____ _____ (Tax Identification or Social Security Number)
(Tax Identification or Social Security Number)  (Complete Substitute Form W-9)	
Credit unexchanged Outstanding Notes delivered by book-entry transfer to the Book-Entry Transfer Facility set forth below:  Book-Entry Transfer Facility Account Number: _____ _____	

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**PLEASE SIGN HERE WHETHER OR NOT  
OUTSTANDING NOTES ARE BEING PHYSICALLY TENDERED HEREBY**  
 (Complete Accompanying Substitute Form W-9 on Last Page)

(Signature(s) of Holders of Outstanding Notes)

Dated \_\_\_\_\_, 2002

(The above lines must be signed by the Holder(s) of Outstanding Notes tendered herewith as name(s) appear(s) on the Outstanding Notes or on a security position listing. If Outstanding Notes to which this Letter of Transmittal relate are held of record by two or more joint Holders, then all such Holders must sign this Letter of Transmittal. If signature is by a holder of a properly completed bond power or by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, then such person must (i) set forth his or her full title below and (ii) unless waived by CenturyTel, submit evidence satisfactory to CenturyTel of such person's authority so to act. See Instructions 1 and 4 regarding completion of this Letter of Transmittal, printed below.)

Name(s) _____ _____ (Please Type or Print)	
Capacity: _____ _____	
Address: _____ _____ _____ _____ (Include Zip Code)	
Area Code and Telephone Number: _____ _____	

**MEDALLION SIGNATURE GUARANTEE**  
 (If Required by Instructions 1 and 4)

Certain signatures must be Guaranteed by an Eligible Institution.

Signature(s) Guaranteed by an Eligible Institution: \_\_\_\_\_

(Authorized Signature)

(Title)

(Name of Firm)

(Address, Include Zip Code)

(Area Code and Telephone Number)

Dated: \_\_\_\_\_, 2002

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INSTRUCTIONS  
PART OF THE TERMS AND CONDITIONS OF THE  
EXCHANGE OFFER

1. DELIVERY OF THIS LETTER OF TRANSMITTAL AND OUTSTANDING NOTES. The tendered Outstanding Notes or a confirmation of book-entry delivery, as well as a properly completed and executed copy or facsimile of this Letter of Transmittal and any other required documents must be received by the Exchange Agent at its address listed on the cover of this document before 5:00 p.m., New York City time, on the Expiration Date. YOU ARE RESPONSIBLE FOR THE DELIVERY OF THE OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. EXCEPT UNDER THE LIMITED CIRCUMSTANCES DESCRIBED BELOW, THE DELIVERY OF THESE DOCUMENTS WILL BE CONSIDERED TO HAVE BEEN MADE ONLY WHEN ACTUALLY RECEIVED OR CONFIRMED BY THE EXCHANGE AGENT. WHILE THE METHOD OF DELIVERY IS AT YOUR RISK AND CHOICE, CENTURYTEL RECOMMENDS THAT YOU USE AN OVERNIGHT OR HAND DELIVERY SERVICE RATHER THAN REGULAR MAIL. YOU SHOULD SEND YOUR DOCUMENTS WELL BEFORE THE EXPIRATION DATE TO ENSURE RECEIPT BY THE EXCHANGE AGENT. YOU MAY REQUEST THAT YOUR BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR NOMINEE DELIVER YOUR OUTSTANDING NOTES, THIS LETTER OF TRANSMITTAL AND ALL REQUIRED DOCUMENTS TO THE EXCHANGE AGENT. PLEASE DO NOT SEND YOUR OUTSTANDING NOTES TO CENTURYTEL.

If you wish to tender your Outstanding Notes, but:

- (a) your Outstanding Notes are not immediately available;
- (b) you cannot deliver your Outstanding Notes, this Letter of Transmittal and all required documents to the Exchange Agent before the Expiration Date; or
- (c) you are unable to complete the book-entry tender procedure before the Expiration Date,

you must tender your Outstanding Notes according to the guaranteed delivery procedure. A summary of this procedure follows, but you should read the section in the Prospectus titled "The Exchange Offer -- Exchange Offer Procedures -- Guaranteed Delivery Procedures" for more complete information. As used in this Letter of Transmittal, an "Eligible Institution" is any participant in a recognized signature guarantee medallion program within the meaning of Rule 17Ad-15 under the Exchange Act.

For a tender made through the guaranteed delivery procedure to be valid, the Exchange Agent must receive a properly completed and executed Notice of Guaranteed Delivery or a facsimile thereof before 5:00 p.m., New York City time, on the Expiration Date. The Notice of Guaranteed Delivery must be delivered by an Eligible Institution and must:

- (a) state your name and address;
- (b) list the names in which the Outstanding Notes are registered and, if possible, the certificate number of the Outstanding Notes being tendered;
- (c) state that tender of your Outstanding Notes is being made through the Notice of Guaranteed Delivery; and

- (d) guarantee that this Letter of Transmittal, or a facsimile of it, the certificates representing the Outstanding Notes, or a confirmation of DTC book-entry transfer, and all other required documents will be delivered to the Exchange Agent by the Eligible Institution within three New York Stock Exchange trading days after the Expiration Date.

The Exchange Agent must receive your Outstanding Notes certificates, or a confirmation of DTC book entry, in proper form for transfer, this Letter of Transmittal and all required documents within three New York Stock Exchange trading days after the Expiration Date or your tender will be invalid and may not be accepted for exchange.

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CenturyTel has the sole right to decide any questions about the validity, form, eligibility, time of receipt, acceptance or withdrawal of tendered Outstanding Notes, and its decision will be final and binding. CenturyTel's interpretation of the terms and conditions of the Exchange Offer, including the instructions contained in this Letter of Transmittal and in the Prospectus under the heading "The Exchange Offer -- Conditions to the Exchange Offer," will be final and binding on all parties. For additional information, see Instructions 8 and 9.

It is your responsibility to identify and cure any defect or invalidity in the tender of your Outstanding Notes. Tender of your Outstanding Notes will not be considered to have been made until any defect is cured or waived. Neither CenturyTel, the Exchange Agent nor any other person is required to notify you that your tender was invalid or defective, and no one will be liable for any failure to notify you of such a defect or invalidity in your tender of Outstanding Notes. As soon as reasonably possible after the Expiration Date, the Exchange Agent will return to the Holder any Outstanding Notes that were invalidly tendered if the defect of invalidity has not been cured or waived.

2. **TENDER BY HOLDER.** You must be a Holder of Outstanding Notes in order to participate in the Exchange Offer. If you are a beneficial holder of Outstanding Notes who wishes to tender, but you are not a Holder (as defined herein), you must arrange with the Holder to execute and deliver this Letter of Transmittal on your behalf or make appropriate arrangements to become a Holder. The transfer of registered ownership of Outstanding Notes may take a long period of time.

3. **PARTIAL TENDERS.** If you are tendering less than the entire principal amount of Outstanding Notes represented by a certificate, you should fill in the principal amount you are tendering in the last column of the box entitled "Description of Outstanding Notes Tendered." The entire principal amount of Outstanding Notes listed on the certificate delivered to the Exchange Agent will be deemed to have been tendered unless you fill in the appropriate box.

Unless a different address is provided in the appropriate box on this Letter of Transmittal, certificate(s) representing Exchange Notes issued in exchange for any tendered and accepted Outstanding Notes will be sent to the registered Holder at his or her registered address, promptly after the Outstanding Notes are accepted for exchange. In the case of Outstanding Notes tendered by book-entry transfer, any untendered Outstanding Notes and any Exchange Notes issued in exchange for tendered and accepted Outstanding Notes will be credited to accounts at DTC.

4. **SIGNATURES ON THE LETTER OF TRANSMITTAL; BOND POWERS AND ENDORSEMENTS; GUARANTEE OF SIGNATURES.**

- If you hold Outstanding Notes through DTC, please refer to the instructions included in the Prospectus under the heading "The Exchange Offer - Exchange Offer Procedures - Book-Entry Transfer."
- If you are the registered Holder of the Outstanding Notes tendered with this document, and are signing this Letter of Transmittal, your signature must match exactly with the name(s) written on the face of the Outstanding Notes. There can be no alteration, enlargement, or change in your signature in any manner. If certificates representing the Exchange Notes, or certificates issued to replace any Outstanding Notes you have not tendered are to be issued to you as the registered Holder, do not endorse any tendered Outstanding Notes, and do not provide a separate bond power.
- Subject to the above, if you are a beneficial holder of Outstanding Notes, or if Exchange Notes or any replacement Outstanding Note certificates will be issued to someone other than you, you must either properly endorse the Outstanding Notes you have tendered or deliver with this Letter of Transmittal a properly completed separate bond power. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

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- Subject to the above, if you are signing this Letter of Transmittal but are not the registered holder(s) of any Outstanding Notes listed on this document under the "Description of Outstanding Notes Tendered," the Outstanding Notes tendered must be endorsed or accompanied by appropriate bond powers, in each case signed in the name of the registered holder(s) exactly as it appears on the Outstanding Notes. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.

- If this Letter of Transmittal, any Outstanding Notes tendered or any bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, that person must indicate their title or capacity when signing. Unless waived by CenturyTel, evidence satisfactory to CenturyTel of that person's authority to act must be submitted with this Letter of Transmittal. Please note that the signatures on any endorsement or bond power must be guaranteed by an Eligible Institution.
- ALL SIGNATURES ON THIS LETTER OF TRANSMITTAL MUST BE GUARANTEED BY AN ELIGIBLE INSTITUTION UNLESS ONE OF THE FOLLOWING SITUATIONS APPLY:
  - If this Letter of Transmittal is signed by the registered Holder(s) of the Outstanding Notes tendered with this Letter of Transmittal and such Holder(s) has not completed the box titled "Special Payment Instructions" or the box titled "Special Delivery Instructions;" or
  - If the Outstanding Notes are tendered for the account of an Eligible Institution.

5. SPECIAL PAYMENT AND DELIVERY INSTRUCTIONS. If different from the name and address of the person signing this Letter of Transmittal, you should indicate, in the applicable box or boxes, the name and address or account where Outstanding Notes issued in replacement for any untendered or tendered but unaccepted Outstanding Notes should be issued, sent or credited. If replacement notes for Outstanding Notes are to be issued in a different name, you must indicate the taxpayer identification or social security number of the person named.

6. TRANSFER TAXES. CenturyTel will pay all transfer taxes, if any, applicable to the exchange of Outstanding Notes in the Exchange Offer. However, transfer taxes will be payable by you (or by the tendering Holder if you are signing this letter on behalf of a tendering Holder) if:

- certificates representing Exchange Notes or notes issued to replace any Outstanding Notes not tendered or accepted for exchange are to be delivered to, or are to be registered, issued or credited in the name of, a person other than the Holder;
- tendered Outstanding Notes are registered or credited in the name of any person other than the person signing this Letter of Transmittal; or
- a transfer tax is imposed for any reason other than the exchange of Outstanding Notes according to the Exchange Offer. If satisfactory evidence of the payment of those taxes or an exemption from payment is not submitted with this Letter of Transmittal, the amount of those transfer taxes will be billed directly to the tendering Holder. Until those transfer taxes are paid, CenturyTel will not be required to deliver any Exchange Notes required to be delivered to, or at the direction of, such tendering Holder.
- Except as provided in this Instruction 6, it is not necessary for transfer tax stamps to be attached to the Outstanding Notes listed in this Letter of Transmittal.

7. FORM W-9. You must provide the Exchange Agent with a correct Taxpayer Identification Number ("TIN") for the Holder on the accompanying Form W-9. If the Holder is an individual, the TIN is his or her social security number. If you do not provide the required information on the Form W-9, you may be subject to 30% federal income tax withholding on certain payments made to the Holders of Exchange Notes. Certain Holders, such as corporations and certain foreign individuals, are not subject to these backup withholding and reporting requirements. For additional information, please read the accompanying Guidelines for

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Certification of Taxpayer Identification Number. To prove to the Exchange Agent that a foreign individual qualifies as an exempt Holder, the foreign individual must submit a Form W-8, Form W-8 BEN or other similar statement, signed under penalties of perjury, certifying as to that individual's exempt status. You can obtain the appropriate form from the Exchange Agent.

8. VALIDITY OF TENDERS. All questions as to the validity, form, eligibility (including time of receipt), acceptance and withdrawal of Outstanding Notes tendered for exchange will be determined by CenturyTel, in its sole discretion, which determination shall be final and binding. CenturyTel reserves the absolute right to reject any or all tenders not properly tendered or to not accept any particular Outstanding Notes which acceptance might, in the judgment of CenturyTel or its counsel, be unlawful. CenturyTel also reserves the absolute right to waive any defects or irregularities or conditions of the Exchange Offer as to any particular Outstanding Notes either before or after the Expiration Date (including the right to waive the ineligibility of any holder who seeks to tender Outstanding Notes in the Exchange Offer). CenturyTel's interpretation of the terms and conditions of the Exchange Offer as to any particular Outstanding Notes either before or after the Expiration Date (including the Letter of Transmittal and the instructions thereto) shall be final and binding on all parties. Unless waived, any defects or irregularities in connection with tenders of Outstanding Notes for exchange must be cured within such reasonable period of time as CenturyTel shall determine. Neither CenturyTel, the Exchange Agent nor any other person shall be under any duty to give notification of any

defect or irregularity with respect to any tender of Outstanding Notes for exchange; nor shall any of them incur any liability for failure to give such notification. Tenders of Outstanding Notes will not be deemed to have been made until such defects or irregularities have been cured or waived. Any Outstanding Notes received by the Exchange Agent that are not properly tendered and as to which the defects or irregularities have not been cured or waived will be returned by the Exchange Agent to the tendering holders, unless otherwise provided in the Letter of Transmittal, as soon as practicable following the Expiration Date.

9. **WAIVER OF CONDITIONS.** CenturyTel may choose, at any time and for any reason, to amend, waive or modify certain of the conditions to the Exchange Offer. The conditions applicable to tenders of Outstanding Notes in the Exchange Offer are described in the Prospectus under the heading “The Exchange Offer -- Conditions to the Exchange Offer.”

10. **NO CONDITIONAL TENDER.** No alternative, conditional, irregular or contingent tender of Outstanding Notes on transmittal of this Letter of Transmittal will be accepted.

11. **MUTILATED, LOST, STOLEN OR DESTROYED OUTSTANDING NOTES.** If your Outstanding Notes have been mutilated, lost, stolen or destroyed, you should contact the Exchange Agent at the address listed on the cover page of this document for further instructions.

12. **REQUESTS FOR ASSISTANCE OR ADDITIONAL COPIES.** If you have questions, need assistance, or would like to receive additional copies of the Prospectus or this Letter of Transmittal, you should contact the Exchange Agent at the address on the first page hereof. You may also contact your broker, dealer, commercial bank, trust company, or other nominee for assistance concerning the Exchange Offer.

13. **WITHDRAWAL.** Tenders may be withdrawn only pursuant to the withdrawal rights set forth in the Prospectus under the caption “The Exchange Offer -- Withdrawal Rights.”

<b>SUBSTITUTE</b>  <b>Form W-9</b>	<b>Part 1 - PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW</b>	Social Security Number OR Employer Identification Number
<b>Department of Treasury Internal Revenue Service</b>	<b>Part 2 - Certification - Under penalties of perjury, I certify that:</b>  (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) and  (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (“IRS”) that I am subject to backup withholding as a result of failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding. Certificate Instructions - You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS stating that you are no longer subject to backup withholding, do not cross out item (2).  SIGNATURE _____ DATE _____, 2002	<b>Part 3 -</b>  Awaiting TIN <input type="checkbox"/>  Please complete the Certificate of Awaiting Taxpayer Identification Number below.
<b>Payer’s Request for Taxpayer Identification Number (TIN)</b>		

**NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 30% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ACCOMPANYING GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER FOR ADDITIONAL DETAILS.**

**YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU CHECKED THE BOX IN PART 3 OF THE SUBSTITUTE FORM W-9**

**CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER**

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (a) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration Office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a taxpayer identification number to the payor within 60 days, 30% of all reportable payments made to me thereafter will be withheld until I provide a number.

\_\_\_\_\_, 2002  
Signature Date

**CERTIFICATE FOR FOREIGN RECORD HOLDERS**

Under penalties of perjury, I certify that I am not a United States citizen or resident (or I am signing for a foreign corporation, partnership, estate or trust).

\_\_\_\_\_, 2002  
Signature Date



## GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER (THE “GUIDELINES”)

**Purpose of Form.-** A person who is required to file an information return with the IRS must obtain your correct Taxpayer Identification Number (“TIN”) to report income paid to you, real estate transactions, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. For most individuals, your taxpayer identification number will be your Social Security Number (“SSN”). Use the form provided to furnish your correct TIN and, when applicable, (1) to certify that the TIN you are furnishing is correct (or that you are waiting for a number to be issued), (2) to certify that you are not subject to backup withholding, and (3) to claim exemption from backup withholding if you are an exempt payee. Furnishing your correct TIN and making the appropriate certifications will prevent certain payments from being subject to backup withholding.

If you are an individual, you must generally provide the name shown on your social security card. However, if you have changed your last name, for instance, due to marriage, without informing the Social Security Administration of the name change, please enter your first name, the last name shown on your social security card, and your new last name.

If you are a sole proprietor, you must furnish your **individual** name and either your SSN or Employer Identification Number (“EIN”). You may also enter your business name or “doing business as” name on the business name line. Enter your name(s) as shown on your social security card and/or as it was used to apply for your EIN on Form SS-4.

You must sign the certification or backup withholding will apply.

**How To Obtain a TIN .-**If you do not have a TIN, apply for one immediately. To apply, get **Form SS-5**, Application for a Social Security Card (for individuals), from your local office of the Social Security Administration, or **Form SS-4**, Application for Employer Identification Number (for businesses and all other entities), from your local IRS office.

Once you receive your TIN, complete the enclosed form and return it to us. Please note that you will be subject to backup withholding at a 30% rate until we receive your TIN.

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account <sup>1</sup>
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor <sup>2</sup>
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee <sup>1</sup>
b. So-called trust account that is not a legal or valid trust under state law	The actual owner <sup>1</sup>
5. Sole proprietorship	The owner <sup>3</sup>

For this type of account:	Give name and EIN of:
6. Sole proprietorship	The owner <sup>3</sup>
7. A valid trust, estate, or pension trust	Legal entity <sup>4</sup>
8. Corporate	The corporation
9. Association, club, religious, charitable, education, or other tax-exempt organization	The organization
10. Partnership	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of	The public entity



a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments

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<sup>1</sup> List first and circle the name of the person whose number you furnish

<sup>2</sup> Circle the minor's name and furnish the minor's SSN

<sup>3</sup> Show your individual name. You may also enter your business name. You may use your SSN or EIN.

<sup>4</sup> List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

**Note:** If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

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**What Is Backup Withholding?** -Persons making dividend payments to you after 1992 are required to withhold and pay to the IRS 30% of such payments under certain conditions. This is called "backup withholding."

If you give the requester your correct TIN, make the appropriate certifications, and report all your taxable interest and dividends on your tax return, your payments will not be subject to backup withholding. Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester;
2. The IRS notifies the requester that you furnished an incorrect TIN;
3. You are notified by the IRS that you are subject to backup withholding because you failed to report all our interest and dividends on your tax return;
4. You do not certify to the requester that you are to subject to backup withholding under 3 above; or
5. You do not certify your TIN.

**Payees and Payments Exempt From Backup Withholding.** -The following is a list of payees exempt from backup withholding and for which no information reporting is required.

(1) A corporation. (2) An organization exempt from tax under section 501(a), or an IRA, or a custodial account under section 403(b)(7). (3) The United States or any of its agencies or instrumentalities. (4) A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities. (5) A foreign government or any of its political subdivisions, agencies, or instrumentalities. (6) An international organization or any of its agencies or instrumentalities. (7) A foreign central bank of issue. (8) A dealer in securities or commodities required to register in the United States or a possession of the United States. (9) A real estate reinvestment trust. (10) An entity registered at all times during the tax year under the Investment Company Act of 1940. (11) A common trust fund operated by a bank under section 584(a). (12) A financial institution. (13) A middleman known in the investment community as a nominee or listed in the most recent publication of the American Society of Corporate Secretaries, Inc., Nominee List. (14) A trust exempt from tax under section 664 or described in section 4947.

Payments of dividends generally not subject to backup withholding include the following:

- Payments to nonresident aliens subject to withholding under section 1441.
- Payments to partnerships not engaged in a trade or business in the United States and that have at least one nonresident partner.
- Payments of patronage dividends not paid in money.
- Payments made by certain foreign organizations.

### Penalties

**Failure to Furnish TIN.** -If you fail to furnish your correct TIN, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil Penalty for False Information With Respect to Withholding.** -If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

**Criminal Penalty for Falsifying Information.** -Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** -If the requester discloses or uses TINs in violation of Federal law, the requester may be subject to civil and criminal

**NOTICE OF GUARANTEED DELIVERY**  
**for Tender of**  
**Outstanding Unregistered 7.875% Senior Notes, Series L, due 2012**  
**of**  
**CENTURYTEL, INC.**

This Notice of Guaranteed Delivery, or one substantially equivalent to this form, must be used to accept the Exchange Offer (as defined below) if (i) certificates for the 7.875% Senior Notes, Series L, due 2012 (the "Outstanding Notes") of CenturyTel, Inc. (the "Company") are not immediately available, (ii) Outstanding Notes, the Letter of Transmittal and all other required documents cannot be delivered to Regions Bank (the "Exchange Agent") on or prior to 5:00 p.m., New York City time, on the Expiration Date (as defined in the Prospectus referred to below) or (iii) the procedures for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand, overnight courier or mail, or transmitted by facsimile transmission, to the Exchange Agent. See "The Exchange Offer - Exchange Offer Procedures —Guaranteed Delivery Procedures" in the Prospectus. In addition, in order to utilize the guaranteed delivery procedure to tender Outstanding Notes pursuant to the Exchange Offer, a completed, signed and dated Letter of Transmittal relating to Outstanding Notes (or facsimile thereof) must also be received by the Exchange Agent prior to 5:00 p.m., New York City time, on the Expiration Date. Capitalized terms not defined herein have the meanings assigned to them in the Prospectus.

THE EXCHANGE AGENT  
FOR THE EXCHANGE OFFER IS:

REGIONS BANK

*For Delivery by Mail/  
Hand Delivery/Overnight Delivery:*

Regions Bank, Corporate Trust Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

*For Delivery by Registered  
or Certified Mail:*

Regions Bank, Corporate Trust  
Department  
2nd Floor, Regions Tower  
60 Commerce Street  
Montgomery, AL 36104  
Attn: Robert B. Rinehart  
Jo Ann Mayfield

*By Facsimile Transmission (for eligible institutions only):*

334-230-6150  
*To Confirm Receipt:*  
334-230-6119  
*For Information Call:*  
334-230-6119

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE OR TRANSMISSION OF THIS NOTICE OF GUARANTEED DELIVERY VIA FACSIMILE TO A NUMBER OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.

THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN "ELIGIBLE INSTITUTION" UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE LETTER OF TRANSMITTAL.

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Ladies and Gentlemen:

The undersigned hereby tenders to the Company, upon the terms and subject to the conditions set forth in the prospectus dated October \_\_\_\_, 2002 (as the same may be amended or supplemented from time to time, the "Prospectus"), and the related Letter of Transmittal (which together constitute the "Exchange Offer"), receipt of which is hereby acknowledged, the aggregate principal amount of Outstanding Notes set forth below pursuant to the guaranteed delivery procedures set forth in the Prospectus under the caption "The Exchange Offer - Exchange Offer Procedures —Guaranteed Delivery Procedures."

The undersigned understands and acknowledges that the Exchange Offer will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, 2002, unless extended by the Company. With respect to the Exchange Offer, "Expiration Date" means such time and date, or if the Exchange Offer is extended, the latest time and date to which the Exchange Offer is so extended by the Company.

All authority granted or agreed to be granted by this Notice of Guaranteed Delivery shall survive the death or incapacity of the undersigned or, if the undersigned is a corporation or institution, its dissolution and every obligation of the undersigned under this Notice of Guaranteed Delivery is binding upon the heirs, legal representatives, executors, administrators, successors, assigns, trustees in bankruptcy and other legal representatives of the undersigned.

DESCRIPTION OF OUTSTANDING NOTES TENDERED

Certificate Number(s) (if known) of Outstanding Notes or Account Number at the Book-Entry Transfer Facility	Aggregate Principal Amount Represented by Outstanding Notes	Principal Amount Tendered
Total:		

PLEASE SIGN AND COMPLETE

Signature(s): _____	Name(s): _____
_____	_____
Address: _____	Capacity (full title), if signing in a representative capacity: _____
_____ (Zip Code)	
Area Code and Telephone Number: _____	Taxpayer Identification or Social Security Number: _____
Dated: _____	_____

**GUARANTEE**  
**(NOT TO BE USED FOR SIGNATURE GUARANTEE)**

The undersigned, a firm or other entity identified in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended, as an "eligible guarantor institution," including (as such terms are defined therein): (i) a bank; (ii) a broker, dealer, municipal securities broker, municipal securities dealer, government securities broker, government securities dealer; (iii) a credit union; (iv) a national securities exchange, registered securities association or clearing agency; or (v) a savings association that is a participant in a Securities Transfer Association recognized program (each of the foregoing being referred to as an "Eligible Institution"), hereby guarantees to deliver to the Exchange Agent, at one of its addresses set forth above, either the Outstanding Notes tendered hereby in proper form for transfer, or confirmation of the book-entry transfer of such Outstanding Notes to the Exchange Agent's account at The Depository Trust Company, pursuant to the procedures for book-entry transfer set forth in the Prospectus, in either case together with one or more properly completed and duly executed Letter(s) of Transmittal (or facsimile thereof) and any other required documents within three New York Stock Exchange trading days after the date of execution of this Notice of Guaranteed Delivery.

The undersigned acknowledges that it must deliver the Letter(s) of Transmittal and the Outstanding Notes tendered hereby to the Exchange Agent within the time period set forth above and that failure to do so could result in the tender being rejected.

\_\_\_\_\_  
(Name of Firm)

Sign here: \_\_\_\_\_  
(Authorized Signature)

Name: \_\_\_\_\_  
(Please type or print)

Title: \_\_\_\_\_

\_\_\_\_\_  
(Area Code and Telephone Number)

Dated: \_\_\_\_\_, 2002

\_\_\_\_\_  
Address Zip Code

**NOTE: DO NOT SEND CERTIFICATES FOR OUTSTANDING NOTES WITH THIS FORM. CERTIFICATES FOR OUTSTANDING NOTES SHOULD ONLY BE SENT WITH YOUR LETTER OF TRANSMITTAL.**

**End of Filing**

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