

CENTURYTEL INC

FORM 8-K

(Unscheduled Material Events)

Filed 4/30/1999 For Period Ending 3/31/1999

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CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 27, 1999

CENTURY TELEPHONE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Louisiana (State or other jurisdiction of incorporation)	1-7784 (Commission File Number)	72-0651161 (IRS Employer Identification No.)
100 Century Park Drive, Monroe, Louisiana		71203
(Address of principal executive offices)		(Zip Code)
Registrant's telephone number, including area code		(318) 388-9500

Item 5. Other Events

The following press release was issued by Century Telephone Enterprises, Inc. on April 27, 1999:

FOR IMMEDIATE RELEASE April 27, 1999	FOR MORE INFORMATION CONTACT: Jeffrey S. Glover (318) 388-9648 jeff.glover@centurytel.com
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CenturyTel's First Quarter Earnings from Operations Rise 30 Percent

Monroe, LA. . . CenturyTel (Century Telephone Enterprises, Inc., NYSE Symbol:
CTL) announces operating results for first quarter 1999.

- o Revenues climbed 11.4% to \$414.3 million.
- o Net income, excluding gain on asset sales, jumped 29.9% to \$54.4 million.
- o Diluted earnings per share, excluding gain on asset sales, rose 30.0% to \$.39.
- o Earnings before interest, taxes, depreciation, amortization and gain on asset sales advanced 16.6% to \$226.3 million.

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

	Quarter Ended 3/31/99	Quarter Ended 3/31/98	% Change
Revenues	\$ 414,256	\$ 371,720	11.4%
EBITDA (1)	\$ 226,319	\$ 194,164	16.6%
Net Income (2)	\$ 54,372	\$ 41,871	29.9%
Diluted Earnings Per Share (2)(3)	\$.39	\$.30	30.0%

Average Diluted Shares Outstanding (3)	141,028	139,376	1.2%
Telephone Revenues	\$ 292,961	\$ 259,813	12.8%
Cellular Revenues	\$ 98,471	\$ 94,166	4.6%
Other Operations Revenues	\$ 22,824	\$ 17,741	28.7%
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Telephone Access Lines	1,365,205	1,220,683	11.8%
Cellular Units in Majority-Owned Markets	638,992	576,397	10.9%
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(1) Earnings before interest, taxes, depreciation, amortization and gain on asset sales

(2) Excludes after-tax gain on asset sales of \$6.7 million, or \$.04 per share, in first quarter 1999 and \$15.8 million, or \$.11 per share, in first quarter 1998

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

"We are pleased with the strong customer growth achieved in CenturyTel's core businesses during the first quarter," Glen F. Post, III, President and Chief Executive Officer, said. "Annualized internal access line growth was 5.5% during the quarter, and cellular net additions more than doubled from first quarter 1998, surpassing 14,800 units. CenturyTel's financial results reflect excellent cash flow growth fueled by margin expansion in both our wireline and wireless operations."

Net income excluding gain on asset sales for the quarter climbed 29.9% to \$54.4 million from \$41.9 million in first quarter 1998. Diluted earnings per share, excluding gain on asset sales, increased 30.0% to \$.39 from \$.30, and consolidated revenues rose 11.4% to \$414.3 million from \$371.7 million. Earnings before interest, taxes, depreciation, amortization and gain on asset sales (EBITDA) grew to \$226.3 million from \$194.2 million, a 16.6% increase. CenturyTel achieved a consolidated EBITDA margin of 54.6% during the quarter.

Telephone revenues grew 12.8% to \$293.0 million during the quarter, compared with \$259.8 million in first quarter 1998. Telephone operating income increased 24.0%, reaching \$95.3 million from \$76.8 million, and operating cash flow rose 18.9% to \$167.1 million from \$140.6 million a year ago. The fourth quarter 1998 purchase of telephone access lines in Wisconsin from Ameritech contributed \$11.2 million to telephone revenues during the quarter. CenturyTel's first quarter telephone operating cash flow margin was 57.0% while the operating income margin was 32.5%. Internet operations continued to show strong growth as Internet revenues increased by 60.0% over the prior year.

"Demand for second lines, call management features and data services continues to aid the strong financial performance in our wireline operations," Post said.

Cellular revenues grew 4.6% to \$98.5 million in first quarter 1999, compared with \$94.2 million in first quarter 1998. Cellular operating income advanced 2.5%, reaching \$30.4 million from \$29.7 million, and operating cash flow climbed 7.7% to \$47.6 million from \$44.2 million a year ago. CenturyTel's first quarter cellular operating cash flow margin was 48.4% (49.6% based on service revenues), and operating income margin was 30.9% (31.7% based on service revenues). Average monthly cellular service revenue per user (ARPU) was \$51 during first quarter 1999, a 5.6% decrease from \$54 a year ago. Cellular net additions were more than 14,800 for the quarter, while the average monthly churn rate was 2.0%.

"CenturyTel's wireless customer growth for the quarter was enhanced by the successful expansion of our prepaid and digital products combined with low customer churn levels," Post said.

Revenues from other operations grew 28.7% to \$22.8 million during first quarter 1999, compared with \$17.7 million in first quarter 1998. CenturyTel now serves more than 240,000 long distance customers, adding more than 15,000 during the quarter.

"We are pleased with the increase in long distance customers as we continue to experience strong customer demand for a bundled product offering," Post said.

In addition to historical information, this release includes certain forward-looking statements that are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Such uncertainties include but are not limited to: the effects of ongoing deregulation in the telecommunications industry; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; the risks inherent in rapid technological change; the Company's ability to effectively manage its growth, including integrating newly-acquired properties into the Company's operations; the success and expense of the remediation efforts of the Company and its vendors in achieving year 2000 compliance; and the effects of more general factors such as changes in overall market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the Company's business are described in greater detail in the Company's Annual Report on Form 10-K for the year ended December 31, 1998.

CenturyTel (Century Telephone Enterprises, Inc.) provides integrated communications services including local exchange, wireless, long distance, Internet access and security services to more than two million customers in 21 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the 9th largest local exchange telephone company, based on access lines, and the 10th largest cellular company, based on population equivalents owned, in the United States.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED MARCH 31, 1999 AND 1998
(UNAUDITED)

INCREASE

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

TELEPHONE OPERATIONS

Operating revenues			
Local service	\$ 90,657	78,126	16.0%
Network access	167,155	151,178	10.6%
Other	35,149	30,509	15.2%
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	292,961	259,813	12.8%
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Operating expenses			
Plant operations	67,022	56,659	18.3%
Customer operations	21,894	22,816	(4.0%)
Corporate and other	36,919	39,783	(7.2%)
Depreciation and amortization	71,828	63,712	12.7%
	-----	-----	
	197,663	182,970	8.0%
	-----	-----	
Telephone operating income	95,298	76,843	24.0%
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CELLULAR OPERATIONS			
Operating revenues			
Service revenues	95,976	92,098	4.2%
Equipment sales	2,495	2,068	20.6%
	-----	-----	
	98,471	94,166	4.6%
	-----	-----	
Operating expenses			
Cost of equipment sold	4,381	3,696	18.5%
System operations	13,303	14,252	(6.7%)
General, administrative and customer service	19,160	18,381	4.2%
Sales and marketing	14,013	13,642	2.7%
Depreciation and amortization	17,231	14,540	18.5%
	-----	-----	
	68,088	64,511	5.5%
	-----	-----	
Cellular operating income	30,383	29,655	2.5%
	-----	-----	
OTHER OPERATIONS			
Operating revenues	22,824	17,741	28.7%
	-----	-----	
Operating expenses			
Cost of sales and other	16,960	13,165	28.8%
Depreciation and amortization	922	942	(2.1%)
	-----	-----	
	17,882	14,107	26.8%
	-----	-----	
Other operating income	4,942	3,634	36.0%
	-----	-----	
TOTAL OPERATING INCOME	130,623	110,132	18.6%
OTHER INCOME (EXPENSE)			
Gain on sales of assets	10,358	24,343	(57.4%)
Interest expense	(42,241)	(42,809)	(1.3%)
Income from unconsolidated cellular entities	6,845	6,877	(0.5%)
Minority interest	(3,310)	(2,643)	25.2%
Other income and expense	2,180	604	260.9%
Income tax expense	(43,350)	(38,810)	11.7%
	-----	-----	
NET INCOME	\$ 61,105	57,694	5.9%
	=====	=====	
EARNINGS PER SHARE (1)			
Basic	\$ 0.44	0.42	4.8%
Diluted (2)	\$ 0.43	0.41	4.9%

SHARES OUTSTANDING (1)			
Basic	138,086	136,442	1.2%
Diluted	141,028	139,376	1.2%
DIVIDENDS PER COMMON SHARE (1)	\$ 0.045	0.0433	3.9%

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

(2) Includes \$.04 and \$.11 in 1999 and 1998, respectively, resulting from gain on asset sales

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
MARCH 31, 1999 AND DECEMBER 31, 1998
(UNAUDITED)

	March 31, 1999	December 31, 1998

	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,085	5,742
Other current assets	228,660	220,496

Total current assets	232,745	226,238

PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,692,537	3,660,252
Cellular	435,379	428,984
Other	214,724	200,422
Accumulated depreciation	(2,010,400)	(1,938,205)

Net property, plant and equipment	2,332,240	2,351,453

INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,941,127	1,956,701
Other	391,057	401,063

Total investments and other assets	2,332,184	2,357,764

TOTAL ASSETS	\$ 4,897,169	4,935,455
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LIABILITIES AND EQUITY

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 54,611	53,010
Other current liabilities	280,311	251,834

Total current liabilities	334,922	304,844

LONG-TERM DEBT	2,426,028	2,558,000
DEFERRED CREDITS AND OTHER LIABILITIES	539,798	541,129
STOCKHOLDERS' EQUITY	1,596,421	1,531,482

TOTAL LIABILITIES AND EQUITY	\$ 4,897,169	4,935,455
	=====	

CAPITAL EXPENDITURES
THREE MONTHS ENDED MARCH 31, 1999 AND 1998

INC

	1999	1998	(DEC)

	(in thousands)		
Telephone	\$ 38,304	35,287	8.5%

Cellular	7,163	18,132	(60.5%)
Corporate and other	17,534	9,185	90.9%

Total capital expenditures	\$ 63,001	62,604	0.6%
	=====		

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ R. Stewart Ewing

R. Stewart Ewing

Senior Vice President and

Chief Financial Officer

End of Filing

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