

# CENTURYTEL INC

## FORM 8-K

(Unscheduled Material Events)

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Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

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

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported) July 27, 2000**

**CenturyTel, Inc.**

(Exact name of registrant as specified in its charter)

Louisiana  
(State or other  
jurisdiction of  
incorporation)

1-7784  
(Commission File  
Number)

72-0651161  
(IRS Employer  
Identification No.)

100 Century Park Drive, Monroe, Louisiana  
(Address of principal executive offices)

71203  
(Zip Code)

Registrant's telephone number, including area code (318) 388-9000

**Item 5. Other Events**

The following press release was issued by CenturyTel, Inc. on July 27, 2000:

FOR IMMEDIATE RELEASE  
July 27, 2000

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

**CenturyTel Achieves Earnings Per Share of \$.41 for the Second Quarter**

Monroe, Louisiana . . . CenturyTel, Inc.(NYSE Symbol:CTL) announces operating results for second quarter 2000.

- o Revenues from recurring operations were \$423.2 million.
- o Net income from recurring operations was \$57.8 million.
- o Diluted earnings per share from recurring operations were \$.41.
- o Earnings before interest, taxes, depreciation and amortization were \$219.6 million.

Second Quarter Highlights excluding  
the effect of asset divestitures  
(In thousands, except  
per share amounts)

	Quarter Ended 6/30/00	Quarter Ended 6/30/99	% Change
Revenues	\$ 423,156	\$ 397,663	6.4%
EBITDA (1)	\$ 219,649	\$ 215,845	1.8%
Net Income	\$ 57,845	\$ 59,525	(2.8%)
Diluted Earnings Per Share (2)	\$ .41	\$ .42	(2.4%)
Average Diluted Shares Outstanding	141,732	141,461	.2%

Telephone Revenues (3)	\$ 276,088	\$ 260,946	5.8%
Wireless Revenues	\$ 111,142	\$ 105,725	5.1%
Other Operations Revenues (3)	\$ 35,926	\$ 30,992	15.9%
<hr/>			
Telephone Access Lines	1,296,043	1,246,593	4.0%
Wireless Units in Majority-Owned Markets	749,400	630,951	18.8%
<hr/>			

- (1) Earnings from recurring operations before interest, taxes, depreciation and amortization
- (2) Excluding expenses related to pending acquisitions, diluted earnings per share were \$.43 for second quarter 2000
- (3) Internet revenues of \$5.3 million in second quarter 2000 and \$3.4 million in second quarter 1999 were reclassified from Telephone Revenues to Other Operations Revenues

"We are pleased to announce strong second quarter results," Glen F. Post, III, President and Chief Executive Officer, said. "CenturyTel's financial performance improved substantially from first quarter 2000 as earnings per share rose 21% sequentially to \$.41. We achieved a 71% increase in wireless net customer additions compared with second quarter 1999, fueled by excellent demand for our new digital rate plans. Additionally, CenturyTel expects to close the pending GTE acquisitions during the third quarter, which will significantly expand our customer base and increase revenue streams."

Net income from recurring operations for the quarter decreased 2.8% to \$57.8 million from \$59.5 million in second quarter 1999. Diluted earnings per share from recurring operations was \$.41 compared with \$.42 in second quarter 1999. Consolidated revenues from recurring operations climbed 6.4% to \$423.2 million from \$397.7 million. Earnings from recurring operations before interest, taxes, depreciation and amortization (EBITDA) advanced to \$219.6 million from \$215.8 million, a 1.8% increase. CenturyTel achieved a consolidated EBITDA margin of 51.9% during the quarter.

"CenturyTel's second quarter results reflect \$.02 per share in additional expenses related to the integration of the pending GTE acquisitions. Strong wireless customer growth during the quarter led to higher sales and marketing expenses which impacted our wireless results in the current quarter, but will contribute to revenue growth in subsequent quarters," Post said.

Telephone revenues from recurring operations grew 5.8% to \$276.1 million during the quarter, compared with \$260.9 million in second quarter 1999. Telephone operating income from recurring operations increased 3.5%, reaching \$82.8 million from \$80.1 million, and operating cash flow from recurring operations rose 3.6% to \$150.5 million from \$145.3 million a year ago. CenturyTel's second quarter telephone EBITDA margin was 54.5% while the operating income margin was 30.0%.

o The Arkansas and Missouri GTE acquisitions are both scheduled to close on July 31, and we anticipate closing the Wisconsin properties by the end of the third quarter.

o CenturyTel's DSL deployment is on track as we expanded the availability of high-speed Internet access via DSL to 18% of CenturyTel's access lines during the quarter.

Wireless revenues from recurring operations advanced 5.1% to \$111.1 million in second quarter 2000, compared with \$105.7 million in second quarter 1999. Local service revenues from recurring operations increased 10.4% while roaming revenues declined 14.3% from a year ago. Roaming revenues were 21.6% of wireless service revenues for the quarter. Wireless operating income from recurring operations decreased 17.3% to \$32.8 million from \$39.7 million, and operating cash flow declined 9.9% to \$49.6 million from \$55.0 million a year ago. These declines reflect a \$6.2 million increase in sales and marketing costs coupled with a \$3.9 million decline in roaming revenues. Increased roaming minutes of use were more than offset by reductions in roaming rates. CenturyTel's second quarter wireless EBITDA margin from recurring operations was 44.6% (46.2% based on service revenues), and operating income margin was 29.5% (30.6% based on service revenues).

o Average monthly churn for contract customers was 1.7% for the quarter.

o CenturyTel added nearly 21,900 wireless customers during the second quarter, a 71% increase from second quarter 1999.

o Average monthly wireless service revenue per user (ARPU) was \$48 during second quarter 2000.

Other operations revenues from recurring operations grew 15.9% to \$35.9 million during second quarter 2000, compared with \$31.0 million in second quarter 1999.

o CenturyTel added more than 7,300 long distance customers, ending the quarter with 326,000 long distance subscribers.

o Internet subscribers increased 55% from the prior year to more than 80,500 customers. CenturyTel added 5,200 Internet subscribers during the quarter.

During the first six months of 2000, net income from recurring operations decreased 5.3% to \$105.9 million from \$111.8 million in 1999. Diluted earnings per share declined 5.1% to \$.75 from \$.79, and consolidated revenues increased 7.8% to \$836.0 million from \$775.8 million. Earnings from recurring operations before interest, taxes, depreciation and amortization (EBITDA) was \$422.3 million compared with \$423.0 million a year ago.

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; our ability to timely consummate our pending acquisitions and effectively manage our growth, including financing costs, 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; 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, 1999.

CenturyTel, Inc. provides integrated communications services including local exchange, wireless, long distance, Internet access and security monitoring services to more than two million customers in 20 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the seventh largest local exchange telephone company, based on access lines, and the ninth largest cellular company, based on population equivalents owned, in the United States. Visit CenturyTel's corporate website at ([www.centurytel.com](http://www.centurytel.com))

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED JUNE 30, 2000 AND 1999**  
**(UNAUDITED)**

	2000	1999	INCREASE (DECREASE)
	In thousands, except per share amounts		
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 90,527	89,452	1.2%
Network access	160,933	155,789	3.3%
Other	24,628	29,656	(17.0%)
	276,088	274,897	0.4%
Operating expenses			
Plant operations	59,763	60,213	(0.7%)
Customer operations	25,509	23,284	9.6%
Corporate and other	40,336	38,878	3.8%
Depreciation and amortization	67,631	68,528	(1.3%)
	193,239	190,903	1.2%
Telephone operating income	82,849	83,994	(1.4%)
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	107,351	107,495	(0.1%)
Equipment sales	3,791	2,537	49.4%
	111,142	110,032	1.0%
Operating expenses			
Cost of equipment sold	6,356	5,263	20.8%
System operations	16,380	14,894	10.0%
General, administrative and customer service	19,421	18,656	4.1%
Sales and marketing	19,431	13,423	44.8%
Depreciation and amortization	16,742	16,357	2.4%
	78,330	68,593	14.2%
Wireless operating income	32,812	41,439	(20.8%)

OTHER OPERATIONS			
Operating revenues	35,926	31,821	12.9%
-----			
Operating expenses			
Cost of sales and other	25,299	25,502	(0.8%)
Depreciation and amortization	1,396	1,127	23.9%
-----			
	26,695	26,629	0.2%
-----			
Other operating income	9,231	5,192	77.8%
-----			
TOTAL OPERATING INCOME	124,892	130,625	(4.4%)
-----			
OTHER INCOME (EXPENSE)			
Gain on sales of assets	-	39,601	(100.0%)
Interest expense	(35,267)	(37,487)	(5.9%)
Income from unconsolidated cellular entities	9,475	9,267	2.2%
Minority interest	(2,871)	(18,790)	(84.7%)
Other income and expense	2,384	3,434	(30.6%)
Income tax expense	(40,768)	(73,188)	(44.3%)
-----			
NET INCOME	\$ 57,845	53,462	8.2%
=====			
EARNINGS PER SHARE			
Basic (1)	\$ 0.41	0.38	7.9%
Diluted (2)	\$ 0.41	0.38	7.9%
SHARES OUTSTANDING			
Basic	139,995	138,852	0.8%
Diluted	141,732	141,461	0.2%
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%

(1) Excluding the effect of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$.41 and \$.43 for 2000 and 1999, respectively

(2) Excluding the effect of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$.41 and \$.42 for 2000 and 1999, respectively

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**THREE MONTHS ENDED JUNE 30, 2000 AND 1999**  
**(UNAUDITED)**

Excludes the effect of asset divestitures	2000	1999	INCREASE (DECREASE)
-----			
In thousands, except per share amounts			
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 90,527	84,751	6.8%
Network access	160,933	148,522	8.4%
Other	24,628	27,673	(11.0%)
-----			
	276,088	260,946	5.8%
-----			
Operating expenses			
Plant operations	59,763	56,347	6.1%
Customer operations	25,509	21,917	16.4%
Corporate and other	40,336	37,401	7.8%
Depreciation and amortization	67,631	65,211	3.7%
-----			
	193,239	180,876	6.8%
-----			
Telephone operating income	82,849	80,070	3.5%
-----			
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	107,351	103,313	3.9%
Equipment sales	3,791	2,412	57.2%
-----			
	111,142	105,725	5.1%

-----			
Operating expenses			
Cost of equipment sold	6,356	5,216	21.9%
System operations	16,380	14,229	15.1%
General, administrative and customer service	19,421	18,067	7.5%
Sales and marketing	19,431	13,196	47.2%
Depreciation and amortization	16,742	15,319	9.3%
-----			
	78,330	66,027	18.6%
-----			
Wireless operating income	32,812	39,698	(17.3%)
-----			
OTHER OPERATIONS			
Operating revenues	35,926	30,992	15.9%
-----			
Operating expenses			
Cost of sales and other	25,299	24,256	4.3%
Depreciation and amortization	1,396	1,070	30.5%
-----			
	26,695	25,326	5.4%
-----			
Other operating income	9,231	5,666	62.9%
-----			
TOTAL OPERATING INCOME	124,892	125,434	(0.4%)
-----			
OTHER INCOME (EXPENSE)			
Interest expense	(35,267)	(34,595)	1.9%
Income from unconsolidated cellular entities	9,475	9,267	2.2%
Minority interest	(2,871)	(3,160)	(9.1%)
Other income and expense	2,384	2,704	(11.8%)
Income tax expense	(40,768)	(40,125)	1.6%
-----			
NET INCOME	\$ 57,845	59,525	(2.8%)
=====			
EARNINGS PER SHARE			
Basic	\$ 0.41	0.43	(4.7%)
Diluted	\$ 0.41	0.42	(2.4%)
-----			
SHARES OUTSTANDING			
Basic	139,995	138,852	0.8%
Diluted	141,732	141,461	0.2%
-----			
DIVIDENDS PER COMMON SHARE	\$ 0.0475	0.0450	5.6%

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**SIX MONTHS ENDED JUNE 30, 2000 AND 1999**  
**(UNAUDITED)**

	2000	1999	INCREASE (DECREASE)
-----			
In thousands, except per share amounts			
-----			
TELEPHONE OPERATIONS			
Operating revenues			
Local service	\$ 178,592	180,109	(0.8%)
Network access	323,186	322,944	0.1%
Other	51,236	60,117	(14.8%)
-----			
	553,014	563,170	(1.8%)
-----			
Operating expenses			
Plant operations	122,539	124,150	(1.3%)
Customer operations	48,270	44,641	8.1%
Corporate and other	79,868	75,757	5.4%
Depreciation and amortization	134,991	139,955	(3.5%)
-----			
	385,668	384,503	0.3%
-----			
Telephone operating income	167,346	178,667	(6.3%)

-----			
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	203,974	203,555	0.2%
Equipment sales	7,572	5,038	50.3%
-----			
	211,546	208,593	1.4%
-----			
Operating expenses			
Cost of equipment sold	14,536	9,648	50.7%
System operations	32,033	28,530	12.3%
General, administrative and customer service	37,627	37,985	(0.9%)
Sales and marketing	41,556	27,542	50.9%
Depreciation and amortization	33,091	33,796	(2.1%)
-----			
	158,843	137,501	15.5%
-----			
Wireless operating income	52,703	71,092	(25.9%)
-----			
OTHER OPERATIONS			
Operating revenues	71,552	59,243	20.8%
-----			
Operating expenses			
Cost of sales and other	52,789	45,512	16.0%
Depreciation and amortization	2,498	2,242	11.4%
-----			
	55,287	47,754	15.8%
-----			
Other operating income	16,265	11,489	41.6%
-----			
TOTAL OPERATING INCOME	236,314	261,248	(9.5%)
-----			
OTHER INCOME (EXPENSE)			
Gain on sales of assets	9,910	49,959	(80.2%)
-----			
Interest expense	(71,309)	(79,728)	(10.6%)
Income from unconsolidated cellular entities	8,016	16,112	(50.2%)
Minority interest	(5,163)	(22,100)	(76.6%)
Other income and expense	6,613	5,614	17.8%
Income tax expense	(77,252)	(116,538)	(33.7%)
-----			
NET INCOME	\$ 107,129	114,567	(6.5%)
=====			
EARNINGS PER SHARE			
Basic (1)	\$ 0.76	0.83	(8.4%)
Diluted (2)	\$ 0.76	0.81	(6.2%)
-----			
SHARES OUTSTANDING			
Basic	139,874	138,455	1.0%
Diluted	141,729	141,245	0.3%
-----			
DIVIDENDS PER COMMON SHARE	\$ 0.0950	0.0900	5.6%

(1) Excluding the effects of asset divestitures and nonrecurring gains and losses, basic earnings per share were \$.76 and \$.81 for 2000 and 1999, respectively

(2) Excluding the effects of asset divestitures and nonrecurring gains and losses, diluted earnings per share were \$.75 and \$.79 for 2000 and 1999, respectively

**CenturyTel, Inc.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**SIX MONTHS ENDED JUNE 30, 2000 AND 1999**  
**(UNAUDITED)**

Excludes the effect of asset divestitures and nonrecurring gains and losses	2000	1999	INCREASE (DECREASE)
-----			
In thousands, except per share amounts			
-----			
TELEPHONE OPERATIONS			
Operating revenues			

Local service	\$ 178,592	165,698	7.8%
Network access	323,186	300,759	7.5%
Other	51,236	53,796	(4.8%)
	553,014	520,253	6.3%
Operating expenses			
Plant operations	122,539	112,140	9.3%
Customer operations	48,270	40,831	18.2%
Corporate and other	79,868	72,229	10.6%
Depreciation and amortization	134,991	129,497	4.2%
	385,668	354,697	8.7%
Telephone operating income	167,346	165,556	1.1%
WIRELESS OPERATIONS			
Operating revenues			
Service revenues	203,963	193,855	5.2%
Equipment sales	7,490	4,745	57.9%
	211,453	198,600	6.5%
Operating expenses			
Cost of equipment sold	14,459	9,406	53.7%
System operations	31,933	26,747	19.4%
General, administrative and customer service	37,627	36,465	3.2%
Sales and marketing	41,547	26,910	54.4%
Depreciation and amortization	33,007	31,548	4.6%
	158,573	131,076	21.0%
Wireless operating income	52,880	67,524	(21.7%)
OTHER OPERATIONS			
Operating revenues	71,552	56,926	25.7%
Operating expenses			
Cost of sales and other	52,285	42,893	21.9%
Depreciation and amortization	2,498	2,100	19.0%
	54,783	44,993	21.8%
Other operating income	16,769	11,933	40.5%
TOTAL OPERATING INCOME	236,995	245,013	(3.3%)
OTHER INCOME (EXPENSE)			
Interest expense	(71,284)	(71,074)	0.3%
Income from unconsolidated cellular entities	13,346	16,112	(17.2%)
Minority interest	(5,163)	(5,920)	(12.8%)
Other income and expense	6,611	4,670	41.6%
Income tax expense	(74,646)	(76,970)	(3.0%)
NET INCOME	\$ 105,859	111,831	(5.3%)
EARNINGS PER SHARE			
Basic	\$ 0.76	0.81	(6.2%)
Diluted	\$ 0.75	0.79	(5.1%)
SHARES OUTSTANDING			
Basic	139,874	138,455	1.0%
Diluted	141,729	141,245	0.3%
DIVIDENDS PER COMMON SHARE	\$ 0.0950	0.0900	5.6%

**CenturyTel, Inc.**  
**CONSOLIDATED BALANCE SHEETS**  
**JUNE 30, 2000 AND DECEMBER 31, 1999**  
**(UNAUDITED)**

June 30,                      December 31,



	2000	1999
	(in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 49,685	56,640
Other current assets	242,916	229,433
Total current assets	292,601	286,073
PROPERTY, PLANT AND EQUIPMENT		
Telephone	3,510,277	3,439,469
Wireless	479,469	472,725
Other	328,961	281,713
Accumulated depreciation	(2,082,816)	(1,937,449)
Net property, plant and equipment	2,235,891	2,256,458
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired	1,621,491	1,644,884
Other	571,884	517,992
Total investments and other assets	2,193,375	2,162,876
TOTAL ASSETS	\$ 4,721,867	4,705,407
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 75,022	62,098
Other current liabilities	261,690	247,079
Total current liabilities	336,712	309,177
LONG-TERM DEBT	1,953,844	2,078,311
DEFERRED CREDITS AND OTHER LIABILITIES	483,760	469,927
STOCKHOLDERS' EQUITY	1,947,551	1,847,992
TOTAL LIABILITIES AND EQUITY	\$ 4,721,867	4,705,407

**CAPITAL EXPENDITURES**  
**SIX MONTHS ENDED JUNE 30, 2000 AND 1999**

	2000	1999	INC (DEC)
	(in thousands)		
Telephone	\$ 75,414	86,624	(12.9%)
Wireless	14,685	33,190	(55.8%)
Corporate and other	49,308	29,314	68.2%
Total capital expenditures	\$ 139,407	149,128	(6.5%)

**CAPITAL EXPENDITURES**  
**THREE MONTHS ENDED JUNE 30, 2000 AND 1999**

	2000	1999	INC (DEC)
	(in thousands)		
Telephone	\$ 46,105	48,320	(4.6%)
Wireless	11,006	24,627	(55.3%)
Corporate and other	24,131	13,180	83.1%
Total capital expenditures	\$ 81,242	86,127	(5.7%)

**SIGNATURE**

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

**CenturyTel, Inc.**

By: /s/ Neil A. Sweasy

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Neil A. Sweasy  
Vice President and Controller

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**End of Filing**

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