

Edgar Filing: CENTURYTEL INC - Form 8-K

CENTURYTEL INC  
Form 8-K  
February 01, 2002

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) January 31, 2002

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

FOR IMMEDIATE RELEASE  
January 31, 2002

FOR MORE INFORMATION CONTACT:  
Tony Davis (318) 388-9525  
tony.davis@centurytel.com

CenturyTel Reports Solid Fourth Quarter Earnings Growth

Monroe, LA. . . CenturyTel, Inc. (NYSE Symbol: CTL) announces operating results for fourth quarter 2001.

- o Revenues climbed 3.0% to \$543.1 million.
- o Earnings before interest, taxes, depreciation and amortization, excluding nonrecurring items, was \$271.1 million.
- o Net income, excluding nonrecurring items, increased 5.6% to \$60.3 million.
- o Cash earnings per share (earnings before goodwill amortization), excluding nonrecurring items, increased 8.2% to \$.53.
- o Diluted earnings per share, excluding nonrecurring items, rose 5.0% to \$.42.

-----  
Fourth Quarter Highlights  
(Excluding nonrecurring items)

## Edgar Filing: CENTURYTEL INC - Form 8-K

| (In thousands, except per<br>share and customer amounts) | Quarter Ended<br>12/31/01 | Quarter Ended<br>12/31/00 | %      |
|--|---------------------------|---------------------------|--------|
|  |                           |                           | Change |
| Revenues   | \$ 543,148                | \$ 527,180                | 3.0%   |
| EBITDA   | \$ 271,062                | \$ 269,379                | 0.6%   |
| Net Income   | \$ 60,328                 | \$ 57,121                 | 5.6%   |
| Cash Earnings Per Share                                  | \$ .53                    | \$ .49                    | 8.2%   |
| Diluted Earnings Per Share                               | \$ .42                    | \$ .40                    | 5.0%   |
| Average Diluted Shares Outstanding                       | 142,427                   | 142,149                   | 0.2%   |
| Telephone Revenues                                       | \$ 388,853                | \$ 376,347                | 3.3%   |
| Wireless Revenues  | \$ 108,469                | \$ 111,791                | (3.0)% |
| Other Operations Revenues                                | \$ 45,826                 | \$ 39,042                 | 17.4%  |
| Telephone Access Lines                                   | 1,797,643                 | 1,800,565                 | (0.2)% |
| Wireless Units in Majority-Owned Markets                 | 795,277                   | 751,200                   | 5.9%   |

"In light of the economic uncertainty across our nation, CenturyTel achieved a strong 8.2% growth in cash earnings per share, excluding nonrecurring items," Glen F. Post, III, president and chief executive officer, said. "We expect economic challenges to continue during 2002, especially during the first half of the year. However, CenturyTel's strong free cash flow provides stability today and a solid platform for future growth."

Consolidated revenues rose 3.0% to \$543.1 million from \$527.2 million. EBITDA, excluding nonrecurring items, grew to \$271.1 million from \$269.4 million. CenturyTel achieved a consolidated EBITDA margin of 49.9% during the quarter. Net income for the quarter, excluding nonrecurring items, increased 5.6% to \$60.3 million from \$57.1 million in fourth quarter 2000, primarily due to increased telephone revenue and lower interest expense. Cash earnings per share, excluding nonrecurring items, was \$.53 in fourth quarter 2001 compared to \$.49 in fourth quarter 2000. Diluted earnings per share, excluding nonrecurring items, increased 5.0% to \$.42 from \$.40.

Telephone revenues grew 3.3% to \$388.9 million during the quarter, compared with \$376.3 million in fourth quarter 2000. Telephone operating income increased 6.0% to \$115.7 million from \$109.2 million, and EBITDA rose 3.6% to \$217.4 million from \$209.7 million a year ago. CenturyTel's fourth quarter telephone EBITDA margin was 55.9% while the operating income margin was 29.8%.

"We stated at the end of second quarter 2001 that our telephone EBITDA margin had bottomed and we expected to deliver improved margins by year end 2001. Telephone EBITDA margins increased to 55.9% for fourth quarter 2001 from 53.9% in second quarter 2001," Post said.

Wireless revenues decreased 3.0% to \$108.5 million in fourth quarter 2001, compared with \$111.8 million in fourth quarter 2000, primarily due to lower roaming revenues. Wireless operating income was \$23.6 million compared to \$25.9 million, a 9.0% decrease, and EBITDA decreased 2.3% to \$40.9 million compared to \$41.9 million a year ago. CenturyTel's fourth quarter wireless EBITDA margin was 38.6% and operating income margin was 22.2%, based on service revenues. Average monthly wireless service revenue per user was approximately \$45 during fourth quarter 2001.

Other operations revenues grew 17.4% to \$45.8 million during fourth quarter 2001, compared with \$39.0 million in fourth quarter 2000. CenturyTel's long distance revenues increased 10.1% to \$30.2 million. CenturyTel now serves more than 465,800 long distance customers, adding more than 27,200 during the

## Edgar Filing: CENTURYTEL INC - Form 8-K

quarter. Internet revenues increased 61.0% to \$11.4 million in fourth quarter 2001 from \$7.1 million. Internet operating losses were \$2.2 million for the quarter due to startup expenses pertaining to continued growth of the company's DSL operation.

"We are very pleased with the strong 31% growth in data revenues for fourth quarter 2001. We continue to experience excellent demand from our customers for data solutions," Post said.

For the year 2001, consolidated revenues rose 14.7% to \$2.117 billion from \$1.846 billion. EBITDA, excluding nonrecurring items, grew to \$1.068 billion from \$950.7 million, a 12.3% increase. The growth in 2001 revenues and EBITDA was primarily attributable to the Verizon access lines acquired in third quarter 2000. Net income, excluding nonrecurring items, decreased 1.4% to \$225.7 million from \$228.8 million in 2000. Cash earnings per share, excluding nonrecurring items, increased 2.0% to \$2.01 from \$1.97, and diluted earnings per share decreased 1.2% to \$1.59 from \$1.61.

For fourth quarter 2001, prepared in accordance with generally accepted accounting principles (GAAP), the company reported net income of \$49.8 million, or \$.35 per diluted share, compared to net income of \$57.1 million, or \$.40 per diluted share in fourth quarter 2000. Net income in fourth quarter 2001 includes (i) the proportionate share (\$13.3 million pre-tax) of charges recorded by an entity in which CenturyTel owns a minority interest and (ii) a \$3.0 million pre-tax charge for advisory and consulting fees. The diluted earnings per share impact of these nonrecurring items in fourth quarter 2001 was \$.07.

For the year 2001, prepared in accordance with GAAP, the company reported net income of \$343 million, or \$2.41 per diluted share, compared to net income of \$231.5 million, or \$1.63 per diluted share for the year 2000. Net income for the year 2001 includes nonrecurring items of (i) gain on sale of non-strategic assets; (ii) write-down of certain nonoperating assets; (iii) the proportionate share of charges recorded by an entity in which CenturyTel owns a minority interest and (iv) costs incurred for advisory and consulting fees. These nonrecurring items increased net income \$117.4 million, or \$.82 per diluted share.

For the year 2002, excluding the results from the pending Verizon property acquisition and \$8.0 - \$10.0 million in related integration costs, CenturyTel expects total revenues to increase three to six percent, consolidated EBITDA growth of four to seven percent, and diluted earnings per share of \$2.06 to \$2.18. These expectations include the effect of ceasing amortization of goodwill effective January 1, 2002, under Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" (SFAS No. 142), but exclude the effects of nonrecurring items.

For first quarter 2002, CenturyTel expects total revenues of \$520 million to \$540 million. Operating cash flow for the first quarter is expected to be in the range of \$245 million to \$260 million. Earnings per share, excluding the effects of nonrecurring items, is expected to be in the range of \$.46 to \$.50, including the effect of SFAS No. 142.

In addition to historical information, this release includes forward-looking statements, estimates and projections that are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond the control of CenturyTel. Actual events and 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: the Company's ability to effectively manage its growth, including integrating newly acquired businesses into our operations, hiring adequate numbers of qualified staff and successfully upgrading our billing and other

## Edgar Filing: CENTURYTEL INC - Form 8-K

information systems; the results of the Company's efforts to separate its wireless operations; the terms upon which the Company finances its pending acquisitions; the inherent risk of rapid technological change; the effects of on-going changes in the regulation of the Company or the communications industry generally; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for, or pricing of, the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; higher than anticipated interest rates; 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, 2000. The information contained in this release is as of January 31, 2002. The Company undertakes no obligation to update or revise any of this information whether as a result of new information, future events or developments, or otherwise.

CenturyTel's management will be hosting a conference call at 10:30 A.M. Central time to discuss fourth quarter earnings and guidance for the first quarter and full year 2002. Investors can access CenturyTel's earnings conference call and replay by accessing the company's website at ([www.centurytel.com](http://www.centurytel.com)) (<http://www.centurytel.com>)

CenturyTel, Inc. provides communications services including local exchange, wireless, long distance, Internet access and data services to nearly three million customers in 21 states. The company, headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol CTL. CenturyTel is the 8th largest local exchange telephone company, based on access lines, and the 8th largest cellular company, based on population equivalents owned, in the United States.

Visit CenturyTel's corporate Web site at ([www.centurytel.com](http://www.centurytel.com))

CenturyTel, Inc.  
 CONSOLIDATED STATEMENTS OF INCOME  
 THREE MONTHS ENDED DECEMBER 31, 2001 AND 2000  
 (UNAUDITED)

| In thousands, except per share amounts | 2001       | 2000    | INCREASE<br>(DECREASE) |
|--|------------|---------|------------------------|
| -----                                  |            |         |                        |
| TELEPHONE OPERATIONS                   |            |         |                        |
| Operating revenues                     |            |         |                        |
| Local service                          | \$ 124,246 | 123,642 | 0.5%                   |
| Network access                         | 228,589    | 217,357 | 5.2%                   |
| Other                                  | 36,018     | 35,348  | 1.9%                   |
|  | -----      | -----   |                        |
|  | 388,853    | 376,347 | 3.3%                   |
|  | -----      |         |                        |
| Operating expenses                     |            |         |                        |
| Plant operations                       | 94,486     | 91,437  | 3.3%                   |
| Customer operations                    | 30,861     | 29,057  | 6.2%                   |
| Corporate and other                    | 46,154     | 46,127  | 0.1%                   |
| Depreciation and amortization          | 101,660    | 100,535 | 1.1%                   |
|  | -----      | -----   |                        |
|  | 273,161    | 267,156 | 2.2%                   |

Edgar Filing: CENTURYTEL INC - Form 8-K

|  |           |          |          |
|--|-----------|----------|----------|
| Telephone operating income                             | 115,692   | 109,191  | 6.0%     |
| -----  |           |          |          |
| WIRELESS OPERATIONS                                    |           |          |          |
| Operating revenues                                     |           |          |          |
| Service  | 82,964    | 82,066   | 1.1%     |
| Roaming  | 23,145    | 25,845   | (10.4%)  |
| Equipment sales  | 2,360     | 3,880    | (39.2%)  |
|  | 108,469   | 111,791  | (3.0%)   |
| -----  |           |          |          |
| Operating expenses                                     |           |          |          |
| Cost of equipment sold                                 | 5,664     | 8,336    | (32.1%)  |
| System operations                                      | 21,063    | 17,859   | 17.9%    |
| General, administrative and<br>customer service        | 21,425    | 21,664   | (1.1%)   |
| Sales and marketing                                    | 19,383    | 22,036   | (12.0%)  |
| Depreciation and amortization                          | 17,372    | 16,014   | 8.5%     |
|  | 84,907    | 85,909   | (1.2%)   |
| -----  |           |          |          |
| Wireless operating income                              | 23,562    | 25,882   | (9.0%)   |
| -----  |           |          |          |
| OTHER OPERATIONS                                       |           |          |          |
| Operating revenues                                     |           |          |          |
| Long distance  | 30,199    | 27,434   | 10.1%    |
| Internet   | 11,379    | 7,068    | 61.0%    |
| Other  | 4,248     | 4,540    | (6.4%)   |
|  | 45,826    | 39,042   | 17.4%    |
| -----  |           |          |          |
| Operating expenses                                     |           |          |          |
| Cost of sales and other                                | 37,870    | 30,888   | 22.6%    |
| Depreciation and amortization                          | 2,515     | 1,187    | 111.9%   |
|  | 40,385    | 32,075   | 25.9%    |
| -----  |           |          |          |
| Other operating income                                 | 5,441     | 6,967    | (21.9%)  |
| -----  |           |          |          |
| TOTAL OPERATING INCOME                                 | 144,695   | 142,040  | 1.9%     |
| -----  |           |          |          |
| OTHER INCOME (EXPENSE)                                 |           |          |          |
| Interest expense                                       | (52,024)  | (63,089) | (17.5%)  |
| Income (loss) from unconsolidated<br>cellular entities | (5,188)   | 7,604    | (168.2%) |
| Minority interest                                      | (3,081)   | (2,149)  | 43.4%    |
| Other income and expense                               | (3,165)   | 4,148    | (176.3%) |
| Income tax expense                                     | (31,474)  | (31,433) | 0.1%     |
| -----  |           |          |          |
| NET INCOME   | \$ 49,763 | 57,121   | (12.9%)  |
| =====  |           |          |          |
| EARNINGS PER SHARE                                     |           |          |          |
| Basic  | \$ 0.35   | 0.41     | (14.6%)  |
| Diluted  | \$ 0.35   | 0.40     | (12.5%)  |

Edgar Filing: CENTURYTEL INC - Form 8-K

|                            |           |         |      |
|----------------------------|-----------|---------|------|
| SHARES OUTSTANDING         |           |         |      |
| Basic                      | 140,909   | 140,325 | 0.4% |
| Diluted                    | 142,427   | 142,149 | 0.2% |
| DIVIDENDS PER COMMON SHARE | \$ 0.0500 | 0.0475  | 5.3% |

CenturyTel, Inc.  
CONSOLIDATED STATEMENTS OF INCOME  
THREE MONTHS ENDED DECEMBER 31, 2001 AND 2000  
(UNAUDITED)

| Excludes nonrecurring items<br>In thousands, except per share amounts | 2001       | 2000    | INCREASE<br>(DECREASE) |
|---|------------|---------|------------------------|
| -----   |            |         |                        |
| TELEPHONE OPERATIONS  |            |         |                        |
| Operating revenues  |            |         |                        |
| Local service   | \$ 124,246 | 123,642 | 0.5%                   |
| Network access  | 228,589    | 217,357 | 5.2%                   |
| Other   | 36,018     | 35,348  | 1.9%                   |
|   | -----      | -----   |                        |
|   | 388,853    | 376,347 | 3.3%                   |
|   | -----      | -----   |                        |
| Operating expenses  |            |         |                        |
| Plant operations  | 94,486     | 91,437  | 3.3%                   |
| Customer operations   | 30,861     | 29,057  | 6.2%                   |
| Corporate and other   | 46,154     | 46,127  | 0.1%                   |
| Depreciation and amortization   | 101,660    | 100,535 | 1.1%                   |
|   | -----      | -----   |                        |
|   | 273,161    | 267,156 | 2.2%                   |
|   | -----      | -----   |                        |
| Telephone operating income  | 115,692    | 109,191 | 6.0%                   |
|   | -----      | -----   |                        |
| WIRELESS OPERATIONS   |            |         |                        |
| Operating revenues  |            |         |                        |
| Service   | 82,964     | 82,066  | 1.1%                   |
| Roaming   | 23,145     | 25,845  | (10.4%)                |
| Equipment sales   | 2,360      | 3,880   | (39.2%)                |
|   | -----      | -----   |                        |
|   | 108,469    | 111,791 | (3.0%)                 |
|   | -----      | -----   |                        |
| Operating expenses  |            |         |                        |
| Cost of equipment sold  | 5,664      | 8,336   | (32.1%)                |
| System operations   | 21,063     | 17,859  | 17.9%                  |
| General, administrative and customer service                          | 21,425     | 21,664  | (1.1%)                 |
| Sales and marketing   | 19,383     | 22,036  | (12.0%)                |
| Depreciation and amortization   | 17,372     | 16,014  | 8.5%                   |
|   | -----      | -----   |                        |
|   | 84,907     | 85,909  | (1.2%)                 |
|   | -----      | -----   |                        |
| Wireless operating income   | 23,562     | 25,882  | (9.0%)                 |
|   | -----      | -----   |                        |

Edgar Filing: CENTURYTEL INC - Form 8-K

| OTHER OPERATIONS                             |           |          |          |
|--|-----------|----------|----------|
| Operating revenues                           |           |          |          |
| Long distance                                | 30,199    | 27,434   | 10.1%    |
| Internet                                     | 11,379    | 7,068    | 61.0%    |
| Other  | 4,248     | 4,540    | (6.4%)   |
|  | -----     | -----    |          |
|  | 45,826    | 39,042   | 17.4%    |
|  | -----     | -----    |          |
| Operating expenses                           |           |          |          |
| Cost of sales and other                      | 37,870    | 30,888   | 22.6%    |
| Depreciation and amortization                | 2,515     | 1,187    | 111.9%   |
|  | -----     | -----    |          |
|  | 40,385    | 32,075   | 25.9%    |
|  | -----     | -----    |          |
| Other operating income                       | 5,441     | 6,967    | (21.9%)  |
|  | -----     | -----    |          |
| TOTAL OPERATING INCOME                       | 144,695   | 142,040  | 1.9%     |
| OTHER INCOME (EXPENSE)                       |           |          |          |
| Interest expense                             | (52,024)  | (63,089) | (17.5%)  |
| Income from unconsolidated cellular entities | 8,066     | 7,604    | 6.1%     |
| Minority interest                            | (3,081)   | (2,149)  | 43.4%    |
| Other income and expense                     | (165)     | 4,148    | (104.0%) |
| Income tax expense                           | (37,163)  | (31,433) | 18.2%    |
|  | -----     | -----    |          |
| NET INCOME                                   | \$ 60,328 | 57,121   | 5.6%     |
| =====  |           |          |          |
| EARNINGS PER SHARE                           |           |          |          |
| Basic  | \$ 0.43   | 0.41     | 4.9%     |
| Diluted                                      | \$ 0.42   | 0.40     | 5.0%     |
| SHARES OUTSTANDING                           |           |          |          |
| Basic  | 140,909   | 140,325  | 0.4%     |
| Diluted                                      | 142,427   | 142,149  | 0.2%     |
| DIVIDENDS PER COMMON SHARE                   |           |          |          |
|  | \$ 0.0500 | 0.0475   | 5.3%     |

CenturyTel, Inc.  
CONSOLIDATED STATEMENTS OF INCOME  
TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000  
(UNAUDITED)

| In thousands, except per share amounts | 2001       | 2000    | INCREASE<br>(DECREASE) |
|--|------------|---------|------------------------|
| -----                                  |            |         |                        |
| TELEPHONE OPERATIONS                   |            |         |                        |
| Operating revenues                     |            |         |                        |
| Local service                          | \$ 491,529 | 408,538 | 20.3%                  |
| Network access                         | 874,458    | 727,797 | 20.2%                  |
| Other                                  | 139,746    | 117,634 | 18.8%                  |
|  | -----      | -----   |                        |

Edgar Filing: CENTURYTEL INC - Form 8-K

|   |           |           |         |
|---|-----------|-----------|---------|
|   | 1,505,733 | 1,253,969 | 20.1%   |
| -----   |           |           |         |
| Operating expenses                              |           |           |         |
| Plant operations                                | 380,466   | 290,062   | 31.2%   |
| Customer operations                             | 117,080   | 105,950   | 10.5%   |
| Corporate and other                             | 186,483   | 163,761   | 13.9%   |
| Depreciation and amortization                   | 398,284   | 317,906   | 25.3%   |
|   | 1,082,313 | 877,679   | 23.3%   |
| -----   |           |           |         |
| Telephone operating income                      | 423,420   | 376,290   | 12.5%   |
| -----   |           |           |         |
| WIRELESS OPERATIONS                             |           |           |         |
| Operating revenues                              |           |           |         |
| Service revenues                                | 336,850   | 328,956   | 2.4%    |
| Roaming   | 90,192    | 99,791    | (9.6%)  |
| Equipment sales                                 | 10,923    | 14,822    | (26.3%) |
|   | 437,965   | 443,569   | (1.3%)  |
| -----   |           |           |         |
| Operating expenses                              |           |           |         |
| Cost of equipment sold                          | 23,453    | 30,064    | (22.0%) |
| System operations                               | 75,628    | 69,641    | 8.6%    |
| General, administrative and customer service    | 85,467    | 78,087    | 9.5%    |
| Sales and marketing                             | 74,670    | 82,673    | (9.7%)  |
| Depreciation and amortization                   | 66,346    | 65,239    | 1.7%    |
|   | 325,564   | 325,704   | -       |
| -----   |           |           |         |
| Wireless operating income                       | 112,401   | 117,865   | (4.6%)  |
| -----   |           |           |         |
| OTHER OPERATIONS                                |           |           |         |
| Operating revenues                              |           |           |         |
| Long distance                                   | 117,363   | 104,435   | 12.4%   |
| Internet  | 39,057    | 23,491    | 66.3%   |
| Other   | 17,351    | 20,462    | (15.2%) |
|   | 173,771   | 148,388   | 17.1%   |
| -----   |           |           |         |
| Operating expenses                              |           |           |         |
| Cost of sales and other                         | 142,919   | 112,219   | 27.4%   |
| Depreciation and amortization                   | 8,754     | 4,911     | 78.3%   |
|   | 151,673   | 117,130   | 29.5%   |
| -----   |           |           |         |
| Other operating income                          | 22,098    | 31,258    | (29.3%) |
| -----   |           |           |         |
| TOTAL OPERATING INCOME                          | 557,919   | 525,413   | 6.2%    |
| -----   |           |           |         |
| OTHER INCOME (EXPENSE)                          |           |           |         |
| Interest expense                                | (225,523) | (183,302) | 23.0%   |
| Income from unconsolidated<br>cellular entities | 27,460    | 26,986    | 1.8%    |
| Minority interest                               | (11,812)  | (10,201)  | 15.8%   |
| Nonrecurring gains and losses                   | 199,971   | 20,593    | 871.1%  |
| Other income and expense                        | 5,041     | 6,696     | (24.7%) |



Edgar Filing: CENTURYTEL INC - Form 8-K

|                            |            |           |       |
|----------------------------|------------|-----------|-------|
| Income tax expense         | (210,025)  | (154,711) | 35.8% |
| -----                      |            |           |       |
| NET INCOME                 | \$ 343,031 | 231,474   | 48.2% |
| =====                      |            |           |       |
| EARNINGS PER SHARE         |            |           |       |
| Basic                      | \$ 2.43    | 1.65      | 47.3% |
| Diluted                    | \$ 2.41    | 1.63      | 47.9% |
| SHARES OUTSTANDING         |            |           |       |
| Basic                      | 140,743    | 140,069   | 0.5%  |
| Diluted                    | 142,307    | 141,864   | 0.3%  |
| DIVIDENDS PER COMMON SHARE | \$ 0.2000  | 0.1900    | 5.3%  |

CenturyTel, Inc.  
CONSOLIDATED STATEMENTS OF INCOME  
TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000  
(UNAUDITED)

| Excludes nonrecurring items<br>In thousands, except per share amounts | 2001       | 2000      | INCREASE<br>(DECREASE) |
|---|------------|-----------|------------------------|
| -----   |            |           |                        |
| TELEPHONE OPERATIONS  |            |           |                        |
| Operating revenues  |            |           |                        |
| Local service   | \$ 491,529 | 408,538   | 20.3%                  |
| Network access  | 874,458    | 727,797   | 20.2%                  |
| Other   | 139,746    | 117,634   | 18.8%                  |
|   | 1,505,733  | 1,253,969 | 20.1%                  |
| -----   |            |           |                        |
| Operating expenses  |            |           |                        |
| Plant operations  | 378,466    | 290,062   | 30.5%                  |
| Customer operations   | 117,080    | 105,950   | 10.5%                  |
| Corporate and other   | 186,483    | 163,761   | 13.9%                  |
| Depreciation and amortization   | 398,284    | 317,906   | 25.3%                  |
|   | 1,080,313  | 877,679   | 23.1%                  |
| -----   |            |           |                        |
| Telephone operating income  | 425,420    | 376,290   | 13.1%                  |
| -----   |            |           |                        |
| WIRELESS OPERATIONS   |            |           |                        |
| Operating revenues  |            |           |                        |
| Service   | 336,850    | 328,956   | 2.4%                   |
| Roaming   | 90,192     | 99,791    | (9.6%)                 |
| Equipment sales   | 10,923     | 14,822    | (26.3%)                |
|   | 437,965    | 443,569   | (1.3%)                 |
| -----   |            |           |                        |
| Operating expenses  |            |           |                        |
| Cost of equipment sold  | 23,453     | 30,064    | (22.0%)                |

Edgar Filing: CENTURYTEL INC - Form 8-K

|   |            |           |         |
|---|------------|-----------|---------|
| System operations                               | 75,628     | 69,641    | 8.6%    |
| General, administrative and<br>customer service | 85,467     | 78,087    | 9.5%    |
| Sales and marketing                             | 74,670     | 82,673    | (9.7%)  |
| Depreciation and amortization                   | 66,346     | 65,239    | 1.7%    |
|   | 325,564    | 325,704   | -       |
| Wireless operating income                       | 112,401    | 117,865   | (4.6%)  |
| OTHER OPERATIONS                                |            |           |         |
| Operating revenues                              |            |           |         |
| Long distance                                   | 117,363    | 104,435   | 12.4%   |
| Internet  | 39,057     | 23,491    | 66.3%   |
| Other   | 17,351     | 20,462    | (15.2%) |
|   | 173,771    | 148,388   | 17.1%   |
| Operating expenses                              |            |           |         |
| Cost of sales and other                         | 142,919    | 111,715   | 27.9%   |
| Depreciation and amortization                   | 8,754      | 4,911     | 78.3%   |
|   | 151,673    | 116,626   | 30.1%   |
| Other operating income                          | 22,098     | 31,762    | (30.4%) |
| TOTAL OPERATING INCOME                          | 559,919    | 525,917   | 6.5%    |
| OTHER INCOME (EXPENSE)                          |            |           |         |
| Interest expense                                | (225,523)  | (183,302) | 23.0%   |
| Income from unconsolidated<br>cellular entities | 35,350     | 32,316    | 9.4%    |
| Minority interest                               | (11,799)   | (10,201)  | 15.7%   |
| Other income and expense                        | 11,041     | 14,643    | (24.6%) |
| Income tax expense                              | (143,327)  | (150,545) | (4.8%)  |
| NET INCOME                                      | \$ 225,661 | 228,828   | (1.4%)  |
| EARNINGS PER SHARE                              |            |           |         |
| Basic   | \$ 1.60    | 1.63      | (1.8%)  |
| Diluted   | \$ 1.59    | 1.61      | (1.2%)  |
| SHARES OUTSTANDING                              |            |           |         |
| Basic   | 140,743    | 140,069   | 0.5%    |
| Diluted   | 142,307    | 141,864   | 0.3%    |
| DIVIDENDS PER COMMON SHARE                      | \$ 0.2000  | 0.1900    | 5.3%    |

CenturyTel, Inc.  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2001 AND DECEMBER 31, 2000  
(UNAUDITED)

Edgar Filing: CENTURYTEL INC - Form 8-K

|   | December 31,<br>2001 | December 31,<br>2000 |
|---|----------------------|----------------------|
| -----   |                      |                      |
|   | (in thousands)       |                      |
| ASSETS  |                      |                      |
| CURRENT ASSETS  |                      |                      |
| Cash and cash equivalents                                   | \$ 13,362            | 19,039               |
| Other current assets  | 286,911              | 357,465              |
| -----   |                      |                      |
| Total current assets  | 300,273              | 376,504              |
| -----   |                      |                      |
| PROPERTY, PLANT AND EQUIPMENT                               |                      |                      |
| Telephone   | 5,292,255            | 4,999,808            |
| Wireless  | 568,835              | 522,684              |
| Other   | 446,920              | 392,024              |
| Accumulated depreciation                                    | (3,308,447)          | (2,955,223)          |
| -----   |                      |                      |
| Net property, plant and equipment                           | 2,999,563            | 2,959,293            |
| -----   |                      |                      |
| INVESTMENTS AND OTHER ASSETS                                |                      |                      |
| Excess cost of net assets acquired                          | 2,471,484            | 2,509,033            |
| Other   | 547,364              | 548,460              |
| -----   |                      |                      |
| Total investments and other assets                          | 3,018,848            | 3,057,493            |
| -----   |                      |                      |
| TOTAL ASSETS  | \$ 6,318,684         | 6,393,290            |
| =====   |                      |                      |
| LIABILITIES AND EQUITY                                      |                      |                      |
| CURRENT LIABILITIES   |                      |                      |
| Short-term debt and current maturities<br>of long-term debt | \$ 1,008,834         | 425,962              |
| Other current liabilities                                   | 285,122              | 317,408              |
| -----   |                      |                      |
| Total current liabilities                                   | 1,293,956            | 743,370              |
| -----   |                      |                      |
| LONG-TERM DEBT  | 2,087,500            | 3,050,292            |
| DEFERRED CREDITS AND OTHER LIABILITIES                      | 599,848              | 567,549              |
| STOCKHOLDERS' EQUITY  | 2,337,380            | 2,032,079            |
| -----   |                      |                      |
| TOTAL LIABILITIES AND EQUITY                                | \$ 6,318,684         | 6,393,290            |
| =====   |                      |                      |

CAPITAL EXPENDITURES  
TWELVE MONTHS ENDED DECEMBER 31, 2001 AND 2000

|                | 2001 | 2000 | INC<br>(DEC) |
|----------------|------|------|--------------|
| -----          |      |      |              |
| (in thousands) |      |      |              |

Edgar Filing: CENTURYTEL INC - Form 8-K

|                            |    |         |         |         |
|----------------------------|----|---------|---------|---------|
| Telephone                  | \$ | 351,010 | 275,523 | 27.4%   |
| Wireless                   |    | 71,212  | 58,468  | 21.8%   |
| Other                      |    | 84,505  | 115,546 | (26.9%) |
| -----                      |    |         |         |         |
| Total capital expenditures | \$ | 506,727 | 449,537 | 12.7%   |
| =====                      |    |         |         |         |

CAPITAL EXPENDITURES  
THREE MONTHS ENDED DECEMBER 31, 2001 AND 2000

|                            |    |                |         |              |
|----------------------------|----|----------------|---------|--------------|
|                            |    | 2001           | 2000    | INC<br>(DEC) |
| -----                      |    |                |         |              |
|                            |    | (in thousands) |         |              |
| Telephone                  | \$ | 102,179        | 117,682 | (13.2%)      |
| Wireless                   |    | 18,690         | 19,504  | (4.2%)       |
| Other                      |    | 1,603          | 29,670  | (94.6%)      |
| -----                      |    |                |         |              |
| Total capital expenditures | \$ | 122,472        | 166,856 | (26.6%)      |
| =====                      |    |                |         |              |

-----  
Item 5. Other Events

In its January 31, 2002 press release announcing its fourth quarter 2001 financial results, the Company reported there to be 795,277 Wireless Units in Majority-Owned Markets as of December 31, 2001. The correct number of Wireless Units in Majority-Owned Markets as of December 31, 2001 was actually 797,340.

-----  
SIGNATURE

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

CenturyTel, Inc.

By: /s/ Neil A. Sweasy

-----  
Neil A. Sweasy  
Vice President and Controller