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CENTURYTEL INC
Form 8-K
November 02, 2001

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) October 30, 2001

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 CenturyTel Drive, Monroe, Louisiana (Address of principal executive offices) | 71203 (Zip Code) |
|---|---------------------|

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

FOR IMMEDIATE RELEASE
October 30, 2001

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CenturyTel Reports 11.8 Percent Increase in Third Quarter Revenues

MONROE, La....CenturyTel, Inc. (NYSE Symbol: CTL) announces operating results for third quarter 2001.

- o Revenues climbed 11.8% to \$539.4 million.
- o Excluding nonrecurring gains and losses, earnings before interest, taxes, depreciation and amortization (EBITDA) increased 7.4% to \$278.3 million.
- o Net income, excluding nonrecurring gains and losses, was \$63.9 million.
- o Excluding nonrecurring gains and losses, cash earnings per share was \$.55.
- o Diluted earnings per share, excluding nonrecurring gains and losses, was \$.45.

Third Quarter Highlights

(Excluding nonrecurring
gains and losses)

| (Dollars in thousands, except per share amounts) | Qtr Ended 9/30/2001 | Qtr Ended 9/30/2000 | % Change |
|---|------------------------|------------------------|----------|
|---|------------------------|------------------------|----------|

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| | | | |
|--|------------|------------|--------|
| Revenues | \$ 539,377 | \$ 482,634 | 11.8% |
| EBITDA | \$ 278,328 | \$ 259,158 | 7.4% |
| Net Income | \$ 63,873 | \$ 65,966 | (3.2%) |
| Cash Earnings Per Share | \$.55 | \$.56 | (1.8%) |
| Diluted Earnings Per Share | \$.45 | \$.47 | (4.3%) |
| Average Diluted Shares Outstanding | \$ 142,260 | \$ 141,848 | .3% |
| Telephone Revenues | \$ 377,747 | \$ 324,608 | 16.4% |
| Wireless Revenues | \$ 115,404 | \$ 120,232 | (4.0%) |
| Other Operations Revenues | \$ 46,226 | \$ 37,794 | 22.3% |
| Telephone Access Lines | 1,808,574 | 1,800,728 | .4% |
| Wireless Units in Majority-Owned Markets | 794,664 | 741,183 | 7.2% |

"CenturyTel achieved strong third quarter results in spite of a sluggish economy," said Glen F. Post, President and CEO of CenturyTel. "We made substantial progress in the quarter resolving several regulatory issues affecting our wireline operations and achieved good growth in our long distance, Internet and DSL service offerings."

CenturyTel experienced non-recurring pre-tax items of \$43.7 million primarily related to a gain on the sale of our remaining interest in Illuminet common stock net of the write-down of certain non-operating assets. Financial data presented in the body of the press release excludes these one-time items.

Consolidated revenues rose 11.8% to \$539.4 million from \$482.6 million. EBITDA grew to \$278.3 million from \$259.2 million, a 7.4% increase. CenturyTel achieved a consolidated EBITDA margin of 51.6% during the quarter. Net income was \$63.9 million in third quarter 2001 compared to \$66.0 million in third quarter 2000. The decline in net income is due to lower wireless roaming revenue and higher expenses related to CLEC and DSL growth initiatives. Cash earnings per share was \$.55 in third quarter 2001 compared to \$.56 in third quarter 2000. Diluted earnings per share was \$.45 in the third quarter 2001 compared to \$.47 in third quarter 2000.

Telephone revenues grew 16.4% to \$377.7 million during the quarter compared with \$324.6 million in third quarter 2000. The 493,000 access lines acquired from Verizon during 2000 contributed \$46.4 million of the increase in telephone revenues during third quarter 2001. Telephone operating income increased 4.6%, reaching \$104.4 million from \$99.8 million in third quarter 2000, and EBITDA rose 12.4% to \$204.7 million from \$182.1 million a year ago. CenturyTel's third quarter telephone EBITDA margin was 54.2% while the operating income margin was 27.6%.

"CenturyTel continued to enhance the financial performance of the former Verizon lines in Arkansas and Wisconsin during the quarter. We obtained regulatory relief that should boost operating income in these properties by nearly \$30 million annually," Post said.

Wireless revenues declined 4.0% to \$115.4 million in third quarter 2001 compared with \$120.2 million in third quarter 2000. Roaming revenues declined 20.8% to \$24.0 million compared to \$30.4 million a year ago. Wireless operating income was \$32.9 million compared to \$39.3 million, a 16.2% decrease, and EBITDA decreased 10.4% to \$49.7 million compared to \$55.4 million a year ago. CenturyTel's third quarter wireless EBITDA margin was 44.0% based on service revenues, and the operating income margin was 29.2% based on service revenues. Net wireless subscriber additions were 14,700 for the quarter. Average monthly cellular service revenue per user was \$47 during third quarter 2001.

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"We achieved solid wireless results despite the anticipated \$6.4 million decline in roaming revenues. Customer growth was good and our wireless margins remain among the highest in the industry," Post said.

Other operations revenues grew 22.3% to \$46.2 million during third quarter 2001 compared with \$37.8 million in third quarter 2000. CenturyTel's long distance revenues increased 14.7% to \$31.1 million from \$27.1 million. CenturyTel now serves more than 438,600 long distance customers, adding more than 24,000 during the quarter. Internet revenues rose 72.1% to \$10.6 million from \$6.1 million. The company experienced a \$1.1 million operating loss this quarter in its Internet operations due to startup expenses pertaining to the rapid growth of DSL. CenturyTel now serves more than 20,800 DSL customers, adding more than 5,000 during the quarter. CLEC operating losses were \$2.9 million during the quarter.

"CenturyTel achieved nearly 2% penetration of our DSL-enabled lines while reducing Internet operating losses from the second quarter. We were successful in adding more than 5,000 DSL customers during the third quarter," Post said.

During the first nine months of 2001, net income decreased 3.7% to \$165.3 million from \$171.7 million in 2000. Diluted earnings per share declined 4.1% to \$1.16 from \$1.21, and consolidated revenues increased 19.4% to \$1.574 billion from \$1.319 billion. Earnings before interest, taxes, depreciation and amortization (EBITDA) was \$796.8 million compared with \$681.4 million a year ago, a 16.9% increase.

"CenturyTel has generated \$111.4 million in free cash flow year to date. Debt as a percentage of total capitalization has fallen steadily from 63.1% at year end 2000 to 57.7% at the end of the third quarter," Post said.

For the fourth quarter 2001, CenturyTel expects total revenues to range from \$525 million to \$545 million. Operating cash flow for the fourth quarter is expected to be in the range of \$245 million to \$260 million. Cash earnings per share is anticipated to be \$.47 to \$.51 while earnings per share is expected to be in the range of \$.37 to \$.41.

All amounts disclosed above exclude one-time items.

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 information systems; 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 October 30, 2001. The Company undertakes no obligation to update or revise any of this information whether a result of new

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information, future events or developments, or otherwise.

CenturyTel's management will be hosting a conference call today at 10:30 A.M. CST to discuss third quarter earnings and the outlook for fourth quarter 2001. Investors can access CenturyTel's earnings conference call and replay by accessing the company's Web site at (www.centurytel.com)

CenturyTel, Inc. provides communications services including local exchange, wireless, long distance, Internet access and data services to more than 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)

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

| In thousands, except per share amounts | 2001 | 2000 | INCREASE (DECREASE) |
|---|------------|---------|------------------------|
| TELEPHONE OPERATIONS | | | |
| Operating revenues | | | |
| Local service | \$ 122,829 | 106,304 | 15.5% |
| Network access | 219,432 | 187,254 | 17.2% |
| Other | 35,486 | 31,050 | 14.3% |
| | 377,747 | 324,608 | 16.4% |
| Operating expenses | | | |
| Plant operations | 98,605 | 76,086 | 29.6% |
| Customer operations | 28,148 | 28,623 | (1.7%) |
| Corporate and other | 46,293 | 37,766 | 22.6% |
| Depreciation and amortization | 100,336 | 82,380 | 21.8% |
| | 273,382 | 224,855 | 21.6% |
| Telephone operating income | 104,365 | 99,753 | 4.6% |
| WIRELESS OPERATIONS | | | |
| Operating revenues | | | |
| Service | 88,695 | 86,501 | 2.5% |
| Roaming | 24,036 | 30,361 | (20.8%) |
| Equipment sales | 2,673 | 3,370 | (20.7%) |
| | 115,404 | 120,232 | (4.0%) |
| Operating expenses | | | |
| Cost of equipment sold | 6,108 | 7,192 | (15.1%) |
| System operations | 19,924 | 19,749 | 0.9% |
| General, administrative | | | |

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| | | | |
|--|-----------|----------|----------|
| and customer service | 22,250 | 18,796 | 18.4% |
| Sales and marketing | 17,466 | 19,081 | (8.5%) |
| Depreciation and amortization | 16,754 | 16,134 | 3.8% |
| | 82,502 | 80,952 | 1.9% |
| Wireless operating income | 32,902 | 39,280 | (16.2%) |
| OTHER OPERATIONS | | | |
| Operating revenues | | | |
| Long distance | 31,050 | 27,075 | 14.7% |
| Internet | 10,561 | 6,138 | 72.1% |
| Other | 4,615 | 4,581 | 0.7% |
| | 46,226 | 37,794 | 22.3% |
| Operating expenses | | | |
| Cost of sales and other | 36,563 | 28,542 | 28.1% |
| Depreciation and amortization | 3,119 | 1,226 | 154.4% |
| | 39,682 | 29,768 | 33.3% |
| Other operating income | 6,544 | 8,026 | (18.5%) |
| TOTAL OPERATING INCOME | 143,811 | 147,059 | (2.2%) |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (54,438) | (48,904) | 11.3% |
| Income from unconsolidated cellular entities | 16,622 | 11,366 | 46.2% |
| Minority interest | (2,819) | (2,889) | (2.4%) |
| Nonrecurring gains and losses | 43,543 | 10,683 | 307.6% |
| Other income and expense | 705 | (4,065) | (117.3%) |
| Income tax expense | (55,119) | (46,026) | 19.8% |
| NET INCOME | \$ 92,305 | 67,224 | 37.3% |
| EARNINGS PER SHARE | | | |
| Basic | \$ 0.66 | 0.48 | 37.5% |
| Diluted | \$ 0.65 | 0.47 | 38.3% |
| SHARES OUTSTANDING | | | |
| Basic | 140,772 | 140,220 | 0.4% |
| Diluted | 142,260 | 141,848 | 0.3% |
| DIVIDENDS PER COMMON SHARE | \$ 0.0500 | 0.0475 | 5.3% |

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

Excludes nonrecurring items

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| In thousands, except per share amounts | 2001 | 2000 | INCREASE (DECREASE) |
|---|------------|---------|------------------------|
| ----- | | | |
| TELEPHONE OPERATIONS | | | |
| Operating revenues | | | |
| Local service | \$ 122,829 | 106,304 | 15.5% |
| Network access | 219,432 | 187,254 | 17.2% |
| Other | 35,486 | 31,050 | 14.3% |
| | 377,747 | 324,608 | 16.4% |
| ----- | | | |
| Operating expenses | | | |
| Plant operations | 98,605 | 76,086 | 29.6% |
| Customer operations | 28,148 | 28,623 | (1.7%) |
| Corporate and other | 46,293 | 37,766 | 22.6% |
| Depreciation and amortization | 100,336 | 82,380 | 21.8% |
| | 273,382 | 224,855 | 21.6% |
| ----- | | | |
| Telephone operating income | 104,365 | 99,753 | 4.6% |
| ----- | | | |
| WIRELESS OPERATIONS | | | |
| Operating revenues | | | |
| Service | 88,695 | 86,501 | 2.5% |
| Roaming | 24,036 | 30,361 | (20.8%) |
| Equipment sales | 2,673 | 3,370 | (20.7%) |
| | 115,404 | 120,232 | (4.0%) |
| ----- | | | |
| Operating expenses | | | |
| Cost of equipment sold | 6,108 | 7,192 | (15.1%) |
| System operations | 19,924 | 19,749 | 0.9% |
| General, administrative and customer service | 22,250 | 18,796 | 18.4% |
| Sales and marketing | 17,466 | 19,081 | (8.5%) |
| Depreciation and amortization | 16,754 | 16,134 | 3.8% |
| | 82,502 | 80,952 | 1.9% |
| ----- | | | |
| Wireless operating income | 32,902 | 39,280 | (16.2%) |
| ----- | | | |
| OTHER OPERATIONS | | | |
| Operating revenues | | | |
| Long distance | 31,050 | 27,075 | 14.7% |
| Internet | 10,561 | 6,138 | 72.1% |
| Other | 4,615 | 4,581 | 0.7% |
| | 46,226 | 37,794 | 22.3% |
| ----- | | | |
| Operating expenses | | | |
| Cost of sales and other | 36,563 | 28,542 | 28.1% |
| Depreciation and amortization | 3,119 | 1,226 | 154.4% |
| | 39,682 | 29,768 | 33.3% |
| ----- | | | |
| Other operating income | 6,544 | 8,026 | (18.5%) |
| ----- | | | |

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| | | | |
|---|-----------|----------|---------|
| TOTAL OPERATING INCOME | 143,811 | 147,059 | (2.2%) |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (54,438) | (48,904) | 11.3% |
| Income from unconsolidated cellular entities | 13,422 | 11,366 | 18.1% |
| Minority interest | (2,819) | (2,889) | (2.4%) |
| Other income and expense | 3,705 | 3,882 | (4.6%) |
| Income tax expense | (39,808) | (44,548) | (10.6%) |
| ----- | | | |
| NET INCOME | \$ 63,873 | 65,966 | (3.2%) |
| ===== | | | |
| EARNINGS PER SHARE | | | |
| Basic | \$ 0.45 | 0.47 | (4.3%) |
| Diluted | \$ 0.45 | 0.47 | (4.3%) |
| SHARES OUTSTANDING | | | |
| Basic | 140,772 | 140,220 | 0.4% |
| Diluted | 142,260 | 141,848 | 0.3% |
| DIVIDENDS PER COMMON SHARE | \$ 0.0500 | 0.0475 | 5.3% |

CenturyTel, Inc.
CONSOLIDATED STATEMENTS OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

| In thousands, except per share amounts | 2001 | 2000 | INCREASE (DECREASE) |
|---|------------|---------|------------------------|
| ----- | | | |
| TELEPHONE OPERATIONS | | | |
| Operating revenues | | | |
| Local service | \$ 367,283 | 284,896 | 28.9% |
| Network access | 645,869 | 510,440 | 26.5% |
| Other | 103,728 | 82,286 | 26.1% |
| ----- | | | |
| | 1,116,880 | 877,622 | 27.3% |
| ----- | | | |
| Operating expenses | | | |
| Plant operations | 285,980 | 198,625 | 44.0% |
| Customer operations | 86,219 | 76,893 | 12.1% |
| Corporate and other | 140,329 | 117,634 | 19.3% |
| Depreciation and amortization | 296,624 | 217,371 | 36.5% |
| ----- | | | |
| | 809,152 | 610,523 | 32.5% |
| ----- | | | |
| Telephone operating income | 307,728 | 267,099 | 15.2% |
| ----- | | | |
| WIRELESS OPERATIONS | | | |
| Operating revenues | | | |
| Service revenues | 253,886 | 246,890 | 2.8% |

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| | | | |
|--|------------|-----------|---------|
| Roaming | 67,047 | 73,946 | (9.3%) |
| Equipment sales | 8,563 | 10,942 | (21.7%) |
| | 329,496 | 331,778 | (0.7%) |
| Operating expenses | | | |
| Cost of equipment sold | 17,789 | 21,728 | (18.1%) |
| System operations | 54,565 | 51,782 | 5.4% |
| General, administrative and customer service | 64,042 | 56,423 | 13.5% |
| Sales and marketing | 55,287 | 60,637 | (8.8%) |
| Depreciation and amortization | 48,974 | 49,225 | (0.5%) |
| | 240,657 | 239,795 | 0.4% |
| Wireless operating income | 88,839 | 91,983 | (3.4%) |
| OTHER OPERATIONS | | | |
| Operating revenues | | | |
| Long distance | 87,164 | 77,001 | 13.2% |
| Internet | 27,678 | 16,423 | 68.5% |
| Other | 13,103 | 15,922 | (17.7%) |
| | 127,945 | 109,346 | 17.0% |
| Operating expenses | | | |
| Cost of sales and other | 105,049 | 81,331 | 29.2% |
| Depreciation and amortization | 6,239 | 3,724 | 67.5% |
| | 111,288 | 85,055 | 30.8% |
| Other operating income | 16,657 | 24,291 | (31.4%) |
| TOTAL OPERATING INCOME | 413,224 | 383,373 | 7.8% |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (173,499) | (120,213) | 44.3% |
| Income from unconsolidated cellular entities | 32,648 | 19,382 | 68.4% |
| Minority interest | (8,731) | (8,052) | 8.4% |
| Nonrecurring gains and losses | 199,971 | 20,593 | 871.1% |
| Other income and expense | 8,206 | 2,548 | 222.1% |
| Income tax expense | (178,551) | (123,278) | 44.8% |
| NET INCOME | \$ 293,268 | 174,353 | 68.2% |
| EARNINGS PER SHARE | | | |
| Basic | \$ 2.08 | 1.24 | 67.7% |
| Diluted | \$ 2.06 | 1.23 | 67.5% |
| SHARES OUTSTANDING | | | |
| Basic | 140,693 | 139,989 | 0.5% |
| Diluted | 142,267 | 141,769 | 0.4% |
| DIVIDENDS PER COMMON SHARE | \$ 0.1500 | 0.1425 | 5.3% |

CenturyTel, Inc.

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CONSOLIDATED STATEMENTS OF INCOME NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000 (UNAUDITED)

| Excludes nonrecurring items In thousands, except per share amounts | 2001 | 2000 | INCREASE (DECREASE) |
|--|------------|---------|------------------------|
| TELEPHONE OPERATIONS | | | |
| Operating revenues | | | |
| Local service | \$ 367,283 | 284,896 | 28.9% |
| Network access | 645,869 | 510,440 | 26.5% |
| Other | 103,728 | 82,286 | 26.1% |
| | 1,116,880 | 877,622 | 27.3% |
| Operating expenses | | | |
| Plant operations | 283,980 | 198,625 | 43.0% |
| Customer operations | 86,219 | 76,893 | 12.1% |
| Corporate and other | 140,329 | 117,634 | 19.3% |
| Depreciation and amortization | 296,624 | 217,371 | 36.5% |
| | 807,152 | 610,523 | 32.2% |
| Telephone operating income | 309,728 | 267,099 | 16.0% |
| WIRELESS OPERATIONS | | | |
| Operating revenues | | | |
| Service | 253,886 | 246,890 | 2.8% |
| Roaming | 67,047 | 73,946 | (9.3%) |
| Equipment sales | 8,563 | 10,942 | (21.7%) |
| | 329,496 | 331,778 | (0.7%) |
| Operating expenses | | | |
| Cost of equipment sold | 17,789 | 21,728 | (18.1%) |
| System operations | 54,565 | 51,782 | 5.4% |
| General, administrative and customer service | 64,042 | 56,423 | 13.5% |
| Sales and marketing | 55,287 | 60,637 | (8.8%) |
| Depreciation and amortization | 48,974 | 49,225 | (0.5%) |
| | 240,657 | 239,795 | 0.4% |
| Wireless operating income | 88,839 | 91,983 | (3.4%) |
| OTHER OPERATIONS | | | |
| Operating revenues | | | |
| Long distance | 87,164 | 77,001 | 13.2% |
| Internet | 27,678 | 16,423 | 68.5% |
| Other | 13,103 | 15,922 | (17.7%) |
| | 127,945 | 109,346 | 17.0% |
| Operating expenses | | | |
| Cost of sales and other | 105,049 | 80,827 | 30.0% |

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| | | | |
|--|------------|------------|---------|
| Depreciation and amortization | 6,239 | 3,724 | 67.5% |
| | 111,288 | 84,551 | 31.6% |
| Other operating income | 16,657 | 24,795 | (32.8%) |
| TOTAL OPERATING INCOME | 415,224 | 383,877 | 8.2% |
| OTHER INCOME (EXPENSE) | | | |
| Interest expense | (173,499) | (120,213) | 44.3% |
| Income from unconsolidated cellular entities | 27,284 | 24,712 | 10.4% |
| Minority interest | (8,718) | (8,052) | 8.3% |
| Other income and expense | 11,206 | 10,495 | 6.8% |
| Income tax expense | (106,164) | (119,112) | (10.9%) |
| NET INCOME | \$ 165,333 | 171,707 | (3.7%) |
| EARNINGS PER SHARE | | | |
| Basic | \$ 1.17 | 1.23 | (4.9%) |
| Diluted | \$ 1.16 | 1.21 | (4.1%) |
| SHARES OUTSTANDING | | | |
| Basic | 140,693 | 139,989 | 0.5% |
| Diluted | 142,267 | 141,769 | 0.4% |
| DIVIDENDS PER COMMON SHARE | \$ 0.1500 | 0.1425 | 5.3% |

CenturyTel, Inc.
CONSOLIDATED BALANCE SHEETS
September 30, 2001 and December 31, 2000
(UNAUDITED)

| | September 30, 2001 | December 31, 2000 |
|-----------------------------------|-----------------------|----------------------|
| | (in thousands) | |
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 21,372 | 19,039 |
| Other current assets | 342,433 | 357,465 |
| Total current assets | 363,805 | 376,504 |
| PROPERTY, PLANT AND EQUIPMENT | | |
| Telephone | 5,220,236 | 4,999,808 |
| Wireless | 552,586 | 522,684 |
| Other | 443,038 | 392,024 |
| Accumulated depreciation | (3,230,162) | (2,955,223) |
| Net property, plant and equipment | 2,985,698 | 2,959,293 |

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INVESTMENTS AND OTHER ASSETS

| | | |
|------------------------------------|-----------|-----------|
| Excess cost of net assets acquired | 2,489,276 | 2,509,033 |
| Other | 550,543 | 548,460 |
| ----- | | |
| Total investments and other assets | 3,039,819 | 3,057,493 |
| ----- | | |

| | | |
|--------------|--------------|-----------|
| TOTAL ASSETS | \$ 6,389,322 | 6,393,290 |
| ===== | | |

LIABILITIES AND EQUITY

CURRENT LIABILITIES

| | | |
|--|------------|---------|
| Short-term debt and current maturities of long-term debt | \$ 314,385 | 425,962 |
| Other current liabilities | 448,004 | 317,408 |
| ----- | | |
| Total current liabilities | 762,389 | 743,370 |

| | | |
|--|-----------|-----------|
| LONG-TERM DEBT | 2,802,301 | 3,050,292 |
| DEFERRED CREDITS AND OTHER LIABILITIES | 536,201 | 567,549 |
| STOCKHOLDERS' EQUITY | 2,288,431 | 2,032,079 |
| ----- | | |

| | | |
|------------------------------|--------------|-----------|
| TOTAL LIABILITIES AND EQUITY | \$ 6,389,322 | 6,393,290 |
| ===== | | |

CAPITAL EXPENDITURES
NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

| | 2001 | 2000 | INC (DEC) |
|----------------------------|------------|---------|--------------|
| ----- | | | |
| (in thousands) | | | |
| Telephone | \$ 248,831 | 157,841 | 57.6% |
| Wireless | 52,522 | 38,964 | 34.8% |
| Other | 82,902 | 85,876 | (3.5%) |
| ----- | | | |
| Total capital expenditures | \$ 384,255 | 282,681 | 35.9% |
| ===== | | | |

CAPITAL EXPENDITURES
THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000

| | 2001 | 2000 | INC (DEC) |
|----------------|-----------|--------|--------------|
| ----- | | | |
| (in thousands) | | | |
| Telephone | \$ 87,014 | 82,427 | 5.6% |
| Wireless | 18,926 | 24,279 | (22.0%) |
| Other | 34,997 | 36,568 | (4.3%) |

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| | | | |
|----------------------------|------------|---------|--------|
| Total capital expenditures | \$ 140,937 | 143,274 | (1.6%) |
|----------------------------|------------|---------|--------|

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.

CenturyTel, Inc.

By: /s/ Neil A. Sweasy

Neil A. Sweasy
Vice President and Controller