



NEWS RELEASE

CenturyTel Prepares to Settle Equity Units

2005-05-13

MONROE, La.--(BUSINESS WIRE)--May 13, 2005--CenturyTel, Inc. (NYSE: CTL) announced today that it will issue approximately 12.9 million shares of common stock on May 16, 2005 in exchange for approximately \$398.2 million of net proceeds in full settlement of its obligations under the equity units that it publicly sold in May 2002 (NYSE: CTLPrA). Based on a pricing formula agreed to in 2002, each of the approximately 15.9 million outstanding equity units will entitle the holder to receive 0.8088 of a share of CenturyTel common stock on May 16, 2005.

To mitigate dilution from the May 16 stock issuances, CenturyTel's board has authorized the Company to enter into accelerated share repurchase agreements with designated investment banks to repurchase up to 12.9 million shares of its outstanding common stock. CenturyTel also retains authority to purchase common stock between now and the date it initiates its accelerated share program under its \$200 million repurchase program announced in February 2005, of which approximately \$140 million remained available as of March 31, 2005.

CenturyTel intends to initiate its accelerated share program no later than May 31, 2005. Upon initiation of the program, CenturyTel expects to purchase enough shares to offset the number to be issued on May 16, 2005. CenturyTel intends to fund its repurchases principally with the net proceeds that it will receive from the equity unit holders on May 16, 2005.

After they sell shares to CenturyTel, the Company's investment banks will purchase an equivalent amount of CenturyTel shares in the open market over the next several months. Upon completion of these repurchases, CenturyTel anticipates that it may receive from, or be required to pay, the investment banks a price adjustment based principally upon the actual cost of the shares repurchased by the investment banks. CenturyTel expects to announce the final terms of its accelerated share repurchases after they have been completed.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities.

This press release includes certain forward-looking statements. Actual results may differ materially from those in the forward-looking statements. Factors that could affect actual results include but are not limited to the possibility of unforeseen near-term cash requirements, the inability to agree upon accelerated share repurchase agreements with investment banks on terms acceptable to CenturyTel, changes in the trading price of CenturyTel's securities, changes in general market, economic or industry conditions impacting the ability or willingness of the Company to repurchase stock, or other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release.

CenturyTel, Inc. (NYSE: CTL) provides a full range of local, long distance, Internet and broadband services to consumers in 22 states. Included in the S&P 500 Index, CenturyTel is a leading provider of integrated communications services to rural areas and small to mid-size cities in the United States. Visit CenturyTel at www.centurytel.com.

CONTACT: CenturyTel, Inc.
, Monroe
Media Contact:
Anmarie Sartor, 318-388-9671
anmarie.sartor@centurytel.com
or
Investor Contact:
Tony Davis, 318-388-9525
tony.davis@centurytel.com
www.centurytel.com

SOURCE: CenturyTel, Inc.