



NEWS RELEASE

## CenturyTel Reports Third Quarter Earnings

2005-10-27

MONROE, La.--(BUSINESS WIRE)--Oct. 27, 2005--CenturyTel, Inc. (NYSE: CTL) announces operating results for third quarter 2005.

- Operating revenues, excluding nonrecurring items, increased 8.2% to \$657.1 million from \$607.4 million. Reported under GAAP, operating revenues increased 8.8% to \$657.1 million from \$603.9 million.
- Operating cash flow (as defined in the attached financial schedules), excluding nonrecurring items, was \$340.6 million.
- Net income, excluding nonrecurring items, was \$99.0 million compared to \$81.1 million in third quarter 2004. Net income, reported under GAAP, was \$91.4 million compared to \$86.2 million in third quarter 2004.
- Diluted earnings per share, excluding nonrecurring items, was \$.74 in third quarter 2005 and \$.59 in third quarter 2004, while GAAP diluted earnings per share was \$.68 in third quarter 2005 and \$.63 in third quarter 2004.
- Free cash flow (as defined in the attached financial schedules), excluding nonrecurring items, was \$127.5 million in third quarter 2005.

### Third Quarter Highlights

(Excluding nonrecurring items)

(In thousands, except per share      Quarter      Quarter

amounts and customer units)	Ended	Ended	
	9/30/05	9/30/04	% Change
Operating Revenues (1)	\$ 657,085	\$ 607,392	8.2 %
Operating Cash Flow (2)	\$ 340,621	\$ 308,239	10.5 %
Net Income	\$ 98,977	\$ 81,135	22.0 %
Diluted Earnings Per Share	\$ .74	\$ .59	25.4 %
Average Diluted Shares Outstanding	135,916	139,816	(2.8) %
Capital Expenditures	\$ 105,044	\$ 97,583	7.6 %
Telephone Access Lines	2,250,416	2,336,517	(3.7) %
Long Distance Lines	1,142,209	1,037,293	10.1 %
DSL Connections	219,879	120,869	81.9 %

(1) Third quarter 2005 Operating Revenues increased approximately \$34.2 million compared to third quarter 2004 due to the recognition of prior period revenue settlements.

(2) Operating Cash Flow is a non-GAAP financial measure. A reconciliation of this item to comparable GAAP measures is included in the attached financial schedules.

"We continue to see strong demand for broadband and fiber transport services in our markets," Glen F. Post, III, chairman and chief executive officer, said. "The mid-year addition of the KMC metro fiber assets and continued solid internal growth in our LightCore operations drove revenue growth of \$17.2 million, a 90% increase in fiber transport and CLEC revenues since third quarter 2004."

Operating revenues, excluding nonrecurring items, rose 8.2% to \$657.1 million in third quarter 2005 from \$607.4 million in third quarter 2004. Revenue increases aggregating \$56 million resulted primarily from approximately \$13.8 million of revenues generated by the metro fiber assets acquired in second quarter 2005, \$34.2 million related to adjustments to recognize prior period revenue settlements, and data revenue growth from DSL subscribers. These increases more than offset revenue declines of \$10.2 million attributable to previously anticipated lower intrastate toll revenues, universal service funding and access line losses.

Operating expenses, excluding nonrecurring items, increased 5.6% to \$450.0 million from \$426.2 million in third quarter 2004 due primarily to the fiber assets acquired during second quarter 2005 and strong growth in the broadband business.

"One of our key strategies is to be the broadband provider of choice in our markets. We continued to make progress in this area as we added more than 25,000 DSL connections during the third quarter, more than double

the 12,000 added in third quarter 2004," Post said.

Operating cash flow, excluding nonrecurring items, increased 10.5% to \$340.6 million from \$308.2 million. CenturyTel achieved an operating cash flow margin, excluding nonrecurring items, of 51.8% during the quarter versus 50.7% in third quarter 2004.

Net income, excluding nonrecurring items, was \$99.0 million compared to \$81.1 million in third quarter 2004. Diluted earnings per share, excluding nonrecurring items, was \$.74 in third quarter 2005 and \$.59 in third quarter 2004.

As of October 26, 2005, approximately 82% of the 12.9 million shares under the Company's accelerated share repurchase agreements had been repurchased at a weighted average price per share of approximately \$34.50.

For the first nine months of 2005, operating revenues, excluding nonrecurring items, increased to \$1.859 billion from \$1.805 billion for the same period in 2004, a 3.0% increase. Operating cash flow, excluding nonrecurring items, was \$966.0 million for 2005 compared to \$939.5 million a year ago. Operating income, excluding nonrecurring items, increased to \$569.8 million from \$554.6 million in 2004.

Under generally accepted accounting principles (GAAP), net income for third quarter 2005 was \$91.4 million compared to \$86.2 million for third quarter 2004. Diluted earnings per share for third quarter 2005 and 2004 was \$.68 and \$.63, respectively. For the first nine months of 2005 and 2004, net income was \$256.1 million and \$252.8 million, respectively, while diluted earnings per share was \$1.91 and \$1.79, respectively. As explained further in the attached financial schedules, third quarter 2005 results reflect a net after-tax charge of \$7.6 million from expenses associated with Hurricanes Katrina and Rita and transactions related to certain non-operating investments. Third quarter 2004 results reflect an after-tax \$6.0 million adjustment for over depreciated assets and the related revenue effect. Other nonrecurring items that affected the third quarters and first nine months of 2005 and 2004 are detailed in the accompanying financial information.

Outlook. For fourth quarter 2005, CenturyTel expects total revenues of \$610 to \$620 million and diluted earnings per share of \$.52 to \$.56. As a result of better than anticipated third quarter performance, the Company has increased and narrowed the range of anticipated full year 2005 diluted earnings per share guidance to \$2.49 to \$2.53. All outlook figures provided under this section are presented excluding the potential impact of any future mergers, acquisitions, divestitures, share repurchases or other unusual events.

CenturyTel expects to provide full year 2006 earnings per share guidance in January 2006. The Company has, however, identified several items that can be expected to affect 2006 results when compared to 2005. Increased national average loop costs are expected to negatively impact the Company's 2006 Universal Service Fund receipts

and diluted earnings per share by \$.06 to \$.08. Revenue settlements related to prior periods are anticipated to decline and negatively impact 2006 diluted earnings per share by \$.14 to \$.18. The change in accounting for stock options is anticipated to negatively impact 2006 diluted earnings per share by \$.05 to \$.06. CenturyTel currently expects lower 2006 interest expense to contribute \$.03 to \$.05 to 2006 diluted earnings per share. Upon completion of its accelerated share repurchase program later this year, the Company currently anticipates completing the remaining \$86 million outstanding under its \$200 million share repurchase program. Additionally, CenturyTel believes it will continue to drive growth in its broadband and fiber transport businesses. These and other items that may affect 2006 results will be discussed further during the Company's fourth quarter 2005 earnings call in early 2006.

Reconciliation to GAAP. This release includes certain non-GAAP financial measures, including but not limited to operating cash flow, free cash flow and adjustments to GAAP measures to exclude the effect of nonrecurring items. In addition to providing key metrics for management to evaluate the Company's performance, we believe these measurements assist readers in their understanding of period-to-period operating performance and in identifying historical and prospective trends. Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are included in the attached financial statements. Reconciliation of additional non-GAAP financial measures that may be discussed during the earnings call described below will be available in the Investor Relations portion of the Company's Web site at [www.centurytel.com](http://www.centurytel.com). Investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP.

Investor Call. As previously announced, CenturyTel's management will host a conference call at 10:30 a.m. Central Time today. Interested parties can access the call by dialing 866.259.7123. The call will be accessible for replay through November 2, 2005, by calling 888.266.2081 and entering the conference ID number 788978. Investors can also listen to CenturyTel's earnings conference call and replay by accessing the Investor Relations portion of the Company's Web site at [www.centurytel.com](http://www.centurytel.com) prior to November 16, 2005.

In addition to historical information, this release includes certain 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 the Company. 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 timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the Company's ability to effectively manage its growth, including integrating newly-acquired businesses into the Company's operations and hiring adequate numbers of qualified staff; possible changes in the demand for, or pricing of, the Company's products and services; the Company's ability to successfully introduce new product or

service offerings on a timely and cost-effective basis; the Company's ability to collect its receivables from financially troubled communications companies; the Company's ability to successfully negotiate collective bargaining agreements on reasonable terms; other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission; and the effects of more general factors such as changes in interest rates, in accounting policies or practices, in operating, medical or administrative costs, in general market, labor 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, 2004. You should be aware that new factors may emerge from time to time and it is not possible for management to identify all such factors, nor can it predict the impact of each such factor on the business or the extent to which any one or more factors may cause actual results to differ from those reflected in any forward-looking statements. You are further cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. The information contained in this release is as of October 27, 2005. The Company undertakes no obligation to update any of its forward-looking statements for any reason.

CenturyTel (NYSE: CTL) delivers advanced communications with a personal touch. The Company, included in the S&P 500 Index, is a leading provider of consumer and business communications solutions in rural areas and small to mid-size cities in 26 states. Visit CenturyTel at [www.centurytel.com](http://www.centurytel.com).

CenturyTel, Inc.

CONSOLIDATED STATEMENTS OF INCOME  
THREE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004  
(UNAUDITED)

	Three months ended September 30, 2005	
	Less non- reported	As adjusted excluding non- recurring items
In thousands, except per share amounts	As reported	recurring items
<b>OPERATING REVENUES</b>		
Local service	\$ 176,069	176,069
Network access	257,586	257,586
Long distance	49,788	49,788

Data	88,911		88,911
Fiber transport and CLEC	36,361		36,361
Other	48,370		48,370
	-----	-----	
	657,085	-	657,085
	-----	-----	

#### OPERATING EXPENSES

Cost of services and products	222,724	5,853 (1)	216,871
Selling, general and administrative	99,593		99,593
Depreciation and amortization	133,526		133,526
	-----	-----	
	455,843	5,853	449,990
	-----	-----	

OPERATING INCOME                      201,242    (5,853)    207,095

#### OTHER INCOME (EXPENSE)

Interest expense	(49,904)		(49,904)
Income from unconsolidated cellular entity	1,270		1,270
Other income and expense	(4,214)	(6,429) (2)	2,215
Income tax expense	(56,983)	4,716 (3)	(61,699)

NET INCOME	-----	-----	
	\$ 91,411	(7,566)	98,977
	=====	=====	=====

BASIC EARNINGS PER SHARE	\$ 0.70	(0.06)	0.76
DILUTED EARNINGS PER SHARE	\$ 0.68	(0.06)	0.74

#### SHARES OUTSTANDING

Basic	130,150	130,150
Diluted	135,916	135,916

DIVIDENDS PER COMMON SHARE      \$ 0.0600                      0.0600

#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Includes (i) \$9.9 million impairment of non-operating investment, net of (ii) \$3.5 million gain on sale of a separate non-operating investment.
- (3) - Tax effect of items (1) and (2).
- (4) - Adjustment for overdepreciated assets, including related revenue effect.
- (5) - Impairment of non-operating investment.
- (6) - Tax effect of items (4) and (5).

Three months ended  
September 30, 2004

In thousands, except per share amounts	Less non- reported	As adjusted excluding non- recurring items	As recurring items	recurring items
<b>OPERATING REVENUES</b>				
Local service	179,793		179,793	
Network access	237,522	(3,091)	(4)	240,613
Long distance	49,743		49,743	
Data	69,570	(422)	(4)	69,992
Fiber transport and CLEC	19,113		19,113	
Other	48,138		48,138	
	603,879	(3,513)		607,392
<b>OPERATING EXPENSES</b>				
Cost of services and products	191,000		191,000	
Selling, general and administrative	108,153		108,153	
Depreciation and amortization	113,857	(13,221)	(4)	127,078
	413,010	(13,221)		426,231
<b>OPERATING INCOME</b>	<b>190,869</b>	<b>9,708</b>		<b>181,161</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(52,174)		(52,174)	
Income from unconsolidated cellular entity	1,929		1,929	
Other income and expense	(822)	(1,500)	(5)	678
Income tax expense	(53,610)	(3,151)	(6)	(50,459)
<b>NET INCOME</b>	<b>86,192</b>	<b>5,057</b>		<b>81,135</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>0.64</b>	<b>0.04</b>		<b>0.60</b>
<b>DILUTED EARNINGS PER SHARE</b>	<b>0.63</b>	<b>0.04</b>		<b>0.59</b>

SHARES OUTSTANDING

Basic	134,885	134,885
Diluted	139,816	139,816

DIVIDENDS PER COMMON SHARE      0.0575      0.0575

NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Includes (i) \$9.9 million impairment of non-operating investment, net of (ii) \$3.5 million gain on sale of a separate non-operating investment.
- (3) - Tax effect of items (1) and (2).
- (4) - Adjustment for overdepreciated assets, including related revenue effect.
- (5) - Impairment of non-operating investment.
- (6) - Tax effect of items (4) and (5).

Increase  
(decrease)  
Increase excluding  
(decrease) non-

In thousands, except per share as recurring  
amounts                      reported items

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OPERATING REVENUES

Local service	(2.1%)	(2.1%)
Network access	8.4%	7.1%
Long distance	0.1%	0.1%
Data	27.8%	27.0%
Fiber transport and CLEC	90.2%	90.2%
Other	0.5%	0.5%
	8.8%	8.2%

OPERATING EXPENSES

Cost of services and products	16.6%	13.5%
Selling, general and administrative	(7.9%)	(7.9%)
Depreciation and amortization	17.3%	5.1%
	10.4%	5.6%

OPERATING INCOME                      5.4%    14.3%

OTHER INCOME (EXPENSE)

Interest expense	(4.4%)	(4.4%)
Income from unconsolidated cellular entity	(34.2%)	(34.2%)

Other income and expense	412.7%	226.7%
Income tax expense	6.3%	22.3%
NET INCOME	6.1%	22.0%
BASIC EARNINGS PER SHARE	9.4%	26.7%
DILUTED EARNINGS PER SHARE	7.9%	25.4%
SHARES OUTSTANDING		
Basic	(3.5%)	(3.5%)
Diluted	(2.8%)	(2.8%)
DIVIDENDS PER COMMON SHARE	4.3%	4.3%

NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Includes (i) \$9.9 million impairment of non-operating investment, net of (ii) \$3.5 million gain on sale of a separate non-operating investment.
- (3) - Tax effect of items (1) and (2).
- (4) - Adjustment for overdepreciated assets, including related revenue effect.
- (5) - Impairment of non-operating investment.
- (6) - Tax effect of items (4) and (5).

CenturyTel, Inc.

CONSOLIDATED STATEMENTS OF INCOME  
NINE MONTHS ENDED SEPTEMBER 30, 2005 AND 2004  
(UNAUDITED)

	Nine months ended September 30, 2005		
	-----		
		As adjusted	
	Less	excluding	
	non-	non-	
	As	recurring	recurring
In thousands, except per share amounts	reported	items	items
	-----	-----	
OPERATING REVENUES			
Local service	\$ 530,319	530,319	

Network access	727,268		727,268
Long distance	141,746		141,746
Data	237,866		237,866
Fiber transport and CLEC	78,240		78,240
Other	143,341		143,341
	-----	-----	
	1,858,780	-	1,858,780
	-----	-----	

#### OPERATING EXPENSES

Cost of services and products	609,590	5,853 (1)	603,737
Selling, general and administrative	289,053		289,053
Depreciation and amortization	396,153		396,153
	-----	-----	
	1,294,796	5,853	1,288,943
	-----	-----	

OPERATING INCOME                    563,984    (5,853)    569,837

#### OTHER INCOME (EXPENSE)

Interest expense	(152,176)	(1,196) (2)	(150,980)
Income from unconsolidated cellular entity	3,307		3,307
Other income and expense	(1,459)	(8,003) (3)	6,544
Income tax expense	(157,511)	7,111 (4)	(164,622)

NET INCOME                            \$ 256,145    (7,941)    264,086

BASIC EARNINGS PER SHARE    \$ 1.95    (0.06)    2.02  
DILUTED EARNINGS PER SHARE    \$ 1.91    (0.06)    1.97

#### SHARES OUTSTANDING

Basic	130,877	130,877
Diluted	136,143	136,143

DIVIDENDS PER COMMON SHARE    \$ 0.1800                    0.1800

#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Write-off of unamortized deferred debt costs associated with purchasing and retiring approximately \$400 million of Series J notes.
- (3) - Includes (i) a \$9.9 million impairment of non-operating investment and a \$4.8 million debt extinguishment charge related to purchasing and retiring approximately \$400 million

of Series J notes, net of (ii) a \$3.5 million gain on sale of non-operating investment and \$3.2 million of interest income related to the settlement of various income tax audits.

- (4) - Includes (i) \$1.3 million tax benefit related to the settlement of various income tax audits and (ii) \$5.8 million net tax benefit of items (1), (2) and (3).
- (5) - Adjustment for overdepreciated assets, including related revenue effect.
- (6) - Impairment of non-operating investment.
- (7) - Tax effect of items (5) and (6).

Nine months ended  
September 30, 2004

	As adjusted	Less non- recurring	excluding non- recurring		
In thousands, except per share amounts	As reported	items	items	items	items

OPERATING REVENUES

Local service	537,993		537,993		
Network access	723,994	(3,091) (5)	727,085		
Long distance	140,059		140,059		
Data	203,367	(422) (5)	203,789		
Fiber transport and CLEC	54,866		54,866		
Other	140,859		140,859		
	1,801,138	(3,513)	1,804,651		

OPERATING EXPENSES

Cost of services and products	562,775		562,775		
Selling, general and administrative	302,426		302,426		
Depreciation and amortization	371,600	(13,221) (5)	384,821		
	1,236,801	(13,221)	1,250,022		

OPERATING INCOME                      564,337    9,708    554,629

OTHER INCOME (EXPENSE)

Interest expense                      (157,806)                      (157,806)

Income from unconsolidated cellular entity	6,114	6,114	
Other income and expense	(2,329)	(1,500)	(6) (829)
Income tax expense	(157,561)	(3,151)	(7) (154,410)

NET INCOME	252,755	5,057	247,698
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BASIC EARNINGS PER SHARE	1.82	0.04	1.79
DILUTED EARNINGS PER SHARE	1.79	0.04	1.75

#### SHARES OUTSTANDING

Basic	138,512	138,512
Diluted	143,403	143,403

DIVIDENDS PER COMMON SHARE	0.1725	0.1725
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#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Write-off of unamortized deferred debt costs associated with purchasing and retiring approximately \$400 million of Series J notes.
- (3) - Includes (i) a \$9.9 million impairment of non-operating investment and a \$4.8 million debt extinguishment charge related to purchasing and retiring approximately \$400 million of Series J notes, net of (ii) a \$3.5 million gain on sale of non-operating investment and \$3.2 million of interest income related to the settlement of various income tax audits.
- (4) - Includes (i) \$1.3 million tax benefit related to the settlement of various income tax audits and (ii) \$5.8 million net tax benefit of items (1), (2) and (3).
- (5) - Adjustment for overdepreciated assets, including related revenue effect.
- (6) - Impairment of non-operating investment.
- (7) - Tax effect of items (5) and (6).

Increase  
(decrease)

Increase excluding  
(decrease) non-

In thousands, except per share as recurring amounts reported items

#### OPERATING REVENUES

Local service	(1.4%)	(1.4%)
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Network access	0.5%	0.0%
Long distance	1.2%	1.2%
Data	17.0%	16.7%
Fiber transport and CLEC	42.6%	42.6%
Other	1.8%	1.8%
	3.2%	3.0%

#### OPERATING EXPENSES

Cost of services and products	8.3%	7.3%
Selling, general and administrative	(4.4%)	(4.4%)
Depreciation and amortization	6.6%	2.9%
	4.7%	3.1%

OPERATING INCOME (0.1%) 2.7%

#### OTHER INCOME (EXPENSE)

Interest expense	(3.6%)	(4.3%)
Income from unconsolidated cellular entity	(45.9%)	(45.9%)
Other income and expense	(37.4%)	(889.4%)
Income tax expense	(0.0%)	6.6%

NET INCOME 1.3% 6.6%

BASIC EARNINGS PER SHARE 7.1% 12.8%

DILUTED EARNINGS PER SHARE 6.7% 12.6%

#### SHARES OUTSTANDING

Basic	(5.5%)	(5.5%)
Diluted	(5.1%)	(5.1%)

DIVIDENDS PER COMMON SHARE 4.3% 4.3%

#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita.
- (2) - Write-off of unamortized deferred debt costs associated with purchasing and retiring approximately \$400 million of Series J notes.
- (3) - Includes (i) a \$9.9 million impairment of non-operating investment and a \$4.8 million debt extinguishment charge related to purchasing and retiring approximately \$400 million of Series J notes, net of (ii) a \$3.5 million gain on sale of non-operating investment and \$3.2 million of interest income related to the settlement of various income tax audits.
- (4) - Includes (i) \$1.3 million tax benefit related to the settlement of various income tax audits and (ii) \$5.8 million net tax benefit of items (1), (2) and (3).

- (5) - Adjustment for overdepreciated assets, including related revenue effect.
- (6) - Impairment of non-operating investment.
- (7) - Tax effect of items (5) and (6).

CenturyTel, Inc.

CONSOLIDATED BALANCE SHEETS  
 SEPTEMBER 30, 2005 AND DECEMBER 31, 2004  
 (UNAUDITED)

September    December  
 30,            31,  
 2005         2004

(in  
 thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 268,501	167,215
Other current assets	259,850	252,632
	-----	-----
Total current assets	528,351	419,847
	-----	-----

NET PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment	7,699,418	7,431,017
Accumulated depreciation	(4,400,303)	(4,089,616)
	-----	-----
Net property, plant and equipment	3,299,115	3,341,401
	-----	-----

GOODWILL AND OTHER ASSETS

Goodwill	3,432,623	3,433,864
Other	582,447	601,841
	-----	-----
Total goodwill and other assets	4,015,070	4,035,705
	-----	-----

TOTAL ASSETS	\$ 7,842,536	7,796,953
	=====	=====

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 334,576	249,617
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Other current liabilities	472,991	442,001
	-----	-----
Total current liabilities	807,567	691,618
LONG-TERM DEBT	2,500,270	2,762,019
DEFERRED CREDITS AND OTHER LIABILITIES	979,264	933,551
STOCKHOLDERS' EQUITY	3,555,435	3,409,765
	-----	-----
TOTAL LIABILITIES AND EQUITY	\$ 7,842,536	7,796,953
	=====	=====

CenturyTel, Inc.

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES  
(UNAUDITED)

Three months ended September 30,  
2005

In thousands	As adjusted		
	Less non-recurring reported items	excluding non-recurring items	
Operating cash flow and cash flow margin			
Operating income	\$ 201,242	(5,853) (1)	207,095
Add: Depreciation and amortization	133,526	-	133,526
Operating cash flow	\$ 334,768	(5,853)	340,621
	=====	=====	=====
Revenues	\$ 657,085	-	657,085
	=====	=====	=====
Operating income margin (operating income divided by revenues)	30.6%		31.5%
	=====		=====
Operating cash flow margin (operating cash flow divided by revenues)	50.9%		51.8%

Free cash flow (prior to debt service requirements and dividends)			
Net income	\$ 91,411	(7,566) (2)	98,977
Add: Depreciation and amortization	133,526	-	133,526
Less: Capital expenditures	(105,044)	-	(105,044)
Free cash flow	\$ 119,893	(7,566)	127,459

Free cash flow	\$ 119,893
Income from unconsolidated cellular entity	(1,270)
Deferred income taxes	7,471
Changes in current assets and current liabilities	10,413
(Increase) decrease in other noncurrent assets	535
Increase (decrease) in other noncurrent liabilities	3,080
Retirement benefits	1,472
Other, net	7,818
Add: Capital expenditures	105,044
Net cash provided by operating activities	\$ 254,456

#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
- (2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$2.2 million after-tax gain on sale of a separate non-operating investment.
- (3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
- (4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).

Three months ended September 30,

2004

In thousands	As adjusted		
	Less non-recurring items reported	excluding non-recurring items	
Operating cash flow and cash flow margin			
Operating income	190,869	9,708 (3)	181,161
Add: Depreciation and amortization	113,857	(13,221) (3)	127,078
Operating cash flow	304,726	(3,513)	308,239
Revenues	603,879	(3,513) (3)	607,392
Operating income margin (operating income divided by revenues)	31.6%	29.8%	
Operating cash flow margin (operating cash flow divided by revenues)	50.5%	50.7%	
Free cash flow (prior to debt service requirements and dividends)			
Net income	86,192	5,057 (4)	81,135
Add: Depreciation and amortization	113,857	(13,221) (3)	127,078
Less: Capital expenditures	(97,583)	-	(97,583)
Free cash flow	102,466	(8,164)	110,630
Free cash flow	102,466		
Income from unconsolidated cellular entity	(1,929)		
Deferred income taxes	18,370		
Changes in current assets and			

current liabilities	13,622
(Increase) decrease in other noncurrent assets	(4,401)
Increase (decrease) in other noncurrent liabilities	(1,152)
Retirement benefits	5,137
Other, net	2,740
Add: Capital expenditures	97,583
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Net cash provided by operating activities	232,436
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#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
- (2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$2.2 million after-tax gain on sale of a separate non-operating investment.
- (3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
- (4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).

CenturyTel, Inc.

#### RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

Nine months ended September 30,  
2005

In thousands	As adjusted		
	As reported	Less non-recurring items	excluding non-recurring items
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Operating cash flow and cash flow margin			
Operating income	\$ 563,984	(5,853)	(1) 569,837
Add: Depreciation and amortization	396,153	-	396,153

Operating cash flow	\$ 960,137	(5,853)	965,990
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Revenues	\$1,858,780	-	1,858,780
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Operating income margin (operating income divided by revenues)	30.3%	30.7%
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Operating cash flow margin (operating cash flow divided by revenues)	51.7%	52.0%
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Free cash flow (prior to debt  
service requirements and  
dividends)

Net income	\$ 256,145	(7,941) (2)	264,086
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Add: Depreciation and amortization	396,153	-	396,153
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Less: Capital expenditures	(281,958)	-	(281,958)
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Free cash flow	\$ 370,340	(7,941)	378,281
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Free cash flow	\$ 370,340
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Income from unconsolidated cellular entity	(3,307)
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Deferred income taxes	33,418
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Changes in current assets and current liabilities	29,367
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(Increase) decrease in other noncurrent assets	(4,207)
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Increase (decrease) in other noncurrent liabilities	2,496
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Retirement benefits	13,989
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Other, net	9,315
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Add: Capital expenditures	281,958
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Net cash provided by operating activities	\$ 733,369
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#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
- (2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment, a \$3.7 million after-tax expense related to purchasing and retiring approximately \$400 million of Series J notes and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$3.3 million net benefit related to the settlement of various income tax audits and a \$2.2 million after-tax gain on sale of non-operating investment.
- (3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
- (4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).

Nine months ended  
September 30, 2004

In thousands	As reported	Less non- As	As adjusted excluding non- recurring items	(3)	recurring items
Operating cash flow and cash flow margin					
Operating income	564,337		9,708	(3)	554,629
Add: Depreciation and amortization	371,600		(13,221)	(3)	384,821
Operating cash flow	935,937		(3,513)		939,450
Revenues	1,801,138		(3,513)	(3)	1,804,651
Operating income margin (operating income divided by revenues)	31.3%		30.7%		
Operating cash flow margin (operating cash flow divided by revenues)	52.0%		52.1%		

Free cash flow (prior to debt service requirements and dividends)			
Net income	252,755	5,057 (4)	247,698
Add: Depreciation and amortization	371,600	(13,221) (3)	384,821
Less: Capital expenditures	(253,597)	-	(253,597)
Free cash flow	370,758	(8,164)	378,922

Free cash flow	370,758
Income from unconsolidated cellular entity	(6,114)
Deferred income taxes	75,408
Changes in current assets and current liabilities	45,892
(Increase) decrease in other noncurrent assets	(26,555)
Increase (decrease) in other noncurrent liabilities	(4,696)
Retirement benefits	23,000
Other, net	4,504
Add: Capital expenditures	253,597
Net cash provided by operating activities	735,794

#### NONRECURRING ITEMS

- (1) - Expenses associated with Hurricanes Katrina and Rita (presented on a pre-tax basis).
- (2) - Includes (i) a \$6.1 million after-tax impairment of non-operating investment, a \$3.7 million after-tax expense related to purchasing and retiring approximately \$400 million of Series J notes and a \$3.6 million after-tax expense associated with Hurricanes Katrina and Rita, net of (ii) a \$3.3 million net benefit related to the settlement of various income tax audits and a \$2.2 million after-tax gain on sale of non-operating investment.
- (3) - Adjustment for overdepreciated assets, including related revenue effect (presented on a pre-tax basis).
- (4) - Adjustment for overdepreciated assets, including related revenue effect, and impairment of non-operating investment (presented on an after-tax basis).

MULTIMEDIA AVAILABLE:

<http://www.businesswire.com/cgi-bin/mmg.cgi?eid=5005678>

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