

CENTURYTEL INC  
Form 425  
August 14, 2001

Filed by: ALLTEL Corporation  
Pursuant to Rule 425 under the Securities Act of 1933  
Subject Company: CenturyTel, Inc.  
Commission File No: 1-7784

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**ALLTEL CenturyTel**  
**A Rural Communications Powerhouse**  
**August 15, 2001**

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### **Terms of the Proposed Transaction**

- ALLTEL offers to acquire 100% of CenturyTel's outstanding stock in a transaction valued at over \$9 billion, including assumed debt.
  
- Consideration to consist of either:
  - \$43.00 per share in cash
  - or
  - 0.6934 ALLTEL shares
  - Subject to pro ration of 50% cash and 50% ALLTEL shares
  
- ALLTEL shares received by CenturyTel shareholders would be tax-free

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### **Compelling Value Proposition for CenturyTel Shareholders**

- Offer value represents a 40% premium over CenturyTel's August 14th stock price
  
- CenturyTel shareholders issued only ALLTEL stock will receive an annual dividend more than 4 times that paid by CenturyTel
  
- ALLTEL stock provides future participation in a combined company with:
  - Superior scale and scope
  - Significant margin improvement and synergy opportunities

### Substantial Strategic Benefits for CenturyTel and ALLTEL

- Largest independent rural provider of communications services in the U.S. with 12 million customers as of June 30, 2001
- Highly complementary wireless and wireline footprints allowing improved scale and scope
- Significant synergy opportunities
- Attractive financial impact:
  - Minimal cash EPS dilution in year one
  - Cash EPS accretive by year two
  - Maintain strong investment grade credit rating

### Highly Complimentary Wireless Markets

(A map of the United States indicating the combined wireless presence of ALLTEL and CenturyTel with the following customer count and POP coverage:)

As of June 30, 2001:

- 7.2 million wireless customers
- 58 million POPs

### Substantially Enhanced Rural Wireline Scale and Scope

(A map of the United States depicting the approximate number of Wireline customers of ALLTEL and CenturyTel by state as of June 30, 2001:)

(Thousands)**ALLTEL****CenturyTel** Alabama 29 -- Arizona -- 2 Arkansas 113 278 Colorado -- 96 Florida 98 -- Georgia 652 -- Idaho -- 6 Indiana -- 5 Iowa -- 2 Kentucky 28 -- Louisiana -- 103 Michigan -- 114 Minnesota -- 31 Mississippi 13 23 Missouri 73 130 Montana -- 66 Nebraska 315 -- Nevada -- 1 New Mexico -- 6 New York 107 -- North Carolina 242 -- Ohio 353 85 Oklahoma 36 -- Oregon -- 80 Pennsylvania 253 -- South Carolina 63 -- Tennessee -- 28 Texas 117 51 Washington -- 189 Wisconsin -- 498 Wyoming -- 5

As of 6/30/01:

- 4.4 million wireline customers in 31 states
- Focused on second and third tier markets
- 1.6 million long-distance customers

### A Rural Communications Powerhouse...(a)

#1 Rural Wireless and Wireline Provider

**ALLTEL(b) CenturyTelCombined** Wireless Customers (mm) 6.8 0.8 7.6 Wireline Customers (mm) 2.6  
1.8 4.4 Total 9.4 2.6 12.0 Equity Value \$20.1 \$6.1 \$23.1 (Deal Price) Enterprise  
 Value \$24.1 \$9.4 \$33.5

(a) \$ in Billions. 2001 Wall Street estimates.

(b) Stock price as of August 14, 2001

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**...with Strong Financial Capabilities (a)**

#1 Rural Wireless and Wireline Provider

**Revenues:ALLTELCenturyTelCombined** Wireless \$3.9 \$0.4 \$4.3 Wireline 1.8 1.5 3.3 Emerging 0.5 0.2  
0.6 Total Communications 6.1 2.1 8.2 Other 1.6 -- 1.6 Total \$7.7 \$2.1 \$9.8 EBITDA \$2.9  
\$1.0 \$3.9

(a) \$ in Billions. 2001 Wall Street estimates, figures may not foot due to rounding.

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**A Rural Wireless Powerhouse...**

Over twice the size of next largest rural wireless competitor

(A bar chart depicting the following information with subscribers in millions and wireless revenues in billions)

**2001E Customers (a) 2001E Revenues (a)** ALLTEL/CenturyTel 7.6 \$4.3 US Cellular 3.5 \$1.9 Western  
 Wireless (b) 1.2 \$0.9 Dobson Comm. (c) 1.1 \$0.9 Rural Cellular 0.7 \$0.5

(a) Based on Wall Street estimates.

(b) Domestic operations only.

(c) Includes proportionate interest in American Cellular.

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**...and a Rural Wireline Powerhouse**

Substantially larger than next largest rural wireline competitor

(A bar chart depicting the following information with access lines in millions and wireline revenues in billions)

**2001E Customers (a) 2001E Revenues (a)** ALLTEL/CenturyTel 4.4 \$3.3 Citizens Comm. 2.5 \$2.0 TDS 0.6 \$0  
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(a) Based on Wall Street estimates.

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**Merger Benefits**

Wireline

- Increase penetration of long-distance and other services
- Enhance scale and reduce costs

Wireless

- Increase revenues through launch of national and regional rate plans
- Reduce roaming costs through Verizon roaming agreement
- Enhance scale and reduce costs

Customers offered wider variety of competitively priced products and services

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**Significant Wireline Margin Opportunity**

(A bar chart depicting EBITDA margins for ALLTEL and CenturyTel by quarter)

ALLTEL   CenturyTel 1Q00 58 % 55 % 2Q00 58 % 55 % 3Q00 59 % 56 % 4Q00 59 % 57 % 1Q01 60 % 54 %  
2Q01 60 % 54 %

CenturyTel Margin Improvement                      Incremental Annual EBITDA (\$MM)

2%	\$30
4%	\$60
6%	\$90

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**Management Team with a Proven Record**

Since 1998, ALLTEL has completed and successfully integrated six acquisitions with total value of over \$12 billion including:

- \$3 billion wireless property swap with Verizon
- \$2 billion acquisition of Aliant Communications
- \$6 billion acquisition of 360 Communications

ALLTEL has met or exceeded all operational and synergy goals in previous transactions

ALLTEL has a record of superior financial performance:

- Consistently among the highest profit margins in the communications industry
- 18% return on equity over the past four years
- Approximately 30% cash free flow growth over past four years

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**Superior Equity Performance**

(A line graph showing the 3-year total return comparison (change in stock price plus dividend) of ALLTEL's stock and CenturyTel's stock for the period of August 14, 1998 to August 14, 2001 indicating a total return on ALLTEL stock of 62% compared to a negative 3.7% return on CenturyTel stock.)

**A Compelling Transaction**

- Creates a Rural Communications Powerhouse
- Compelling Value Proposition for CenturyTel and ALLTEL Shareholders
- Significant Merger Benefits
- Management Team with a Proven Record