

CENTURYTEL

2003 Annual Report

FILED

DEC 14 2004

Missouri Public
Service Commission



Take a closer look.

Exhibit No. 17
Date 11-12-04 Case No. CO-2005-0066
Reporter TJT

2
Letter to Shareholders

6
Take a Closer Look

16
Access Lines

17
Financial Highlights

18
Independent Auditor's Report

19
Consolidated Statement of Income

20
Consolidated Balance Sheet

21
Consolidated Statement of Cash Flows

22
Contractual Obligations

24
Condensed Financials

Financial & Other
Statistical Information

GenusTel Inc.

provides communications services including local, long distance, Internet, e-mail and data services to more than 2 million customers in 22 states. The Company is headquartered in Monroe, Louisiana, is publicly traded on the New York Stock Exchange under the symbol GNT and is included in the S&P 500 Index. GenusTel is the 8th largest local exchange telephone company based on access lines in the United States.



Take a closer look inside America's heartland and you'll find people like Benjamin and Jane Norton. Though they live in one of the oldest homes in historic Lorain, Ohio, their lives demand the latest in communications services. Delve a little deeper and you'll find CenturyTel meeting their needs with high-quality products and services.



Glen F. Post, III *Chairman and CEO*

A letter to our shareholders

2

CenturyTel once again achieved strong financial and operational results during 2003, affirming the repositioning of our Company as a leading "pure play" provider of wireline and data communications service to rural markets and smaller cities across America. Our results demonstrate the value of our advanced networks, the importance of our customer relationships and the strong demand for advanced communications services in the markets we serve.

At CenturyTel we believe in the viability of the rural areas and smaller cities of America – we know that

while the populations in these markets may not be large, their ambitions are. Our friends and neighbors in these areas want quality educations for their children, quality healthcare for their families and more diverse economic development opportunities. We believe we play a significant role in helping them achieve those ambitions.

We enter 2004 more focused than ever on providing the products and services our customers demand. We are intent on fulfilling our increasingly important role as an advocate for policies that ensure continued investment in the communications infrastructure that is so critical to the markets we serve. We believe our focus on the issues and needs of these markets will allow CenturyTel to continue to deliver successful results in the future.

2003 Financial Performance
We were pleased with our solid financial performance during 2003, a year in which many in our industry struggled to maintain their revenue and earnings at previous year levels. We achieved our results by sticking with what we do best – bringing advanced communications products and services to our customers and providing them high-quality service.

- Revenues from Telephone Operations increased to \$2.072 billion, a 19.5 percent increase over 2002. This increase is attributable to the 2002 Verizon acquisitions and a 1.4 percent internal revenue growth rate.
 - Other Operations, including long distance, Internet, CLEC and fiber transport operations, generated revenues of \$308.8 million, a 29.5 percent increase over 2002.
 - Net cash provided by operating activities from continuing operations (including acquired properties) grew from \$793.4 million in 2002 to \$1.068 billion in 2003, an increase of 34.6 percent.
 - Debt declined by \$467.1 million during 2003. We ended the year with a debt-to-equity ratio of .91, undrawn credit facilities of \$533 million and \$203.2 million in cash and cash equivalents.
- Our strong cash flows and solid balance sheet provide us the financial flexibility to pursue growth opportunities as they become available. In February 2004, CenturyTel's board authorized the repurchase of up to \$400 million of the Company's outstanding common stock or convertible equity units. Our financial strength allows us to undertake this program while continuing to comfortably service debt and maintain the flexibility to consider other investment opportunities as they arise.

Over the years, CenturyTel has proven to be a wise steward of your investment. During 2003, we delivered a total return to shareholders of 11.8 percent, compared to a 7.2 percent return by the S&P Telecom Index taken as a whole. More importantly, CenturyTel's 208.6 percent total return to shareholders over the last 10 years exceeded the S&P 500 and the S&P Telecom Index total 10-year returns of 185.5 percent and 33.2 percent, respectively.

Challenges

The telecommunications industry faces a number of regulatory issues including Voice over Internet Protocol (VoIP) regulation, inter-carrier compensation reform, local number portability implementation, and universal service funding and eligibility. Additionally, CenturyTel faces competition and technology

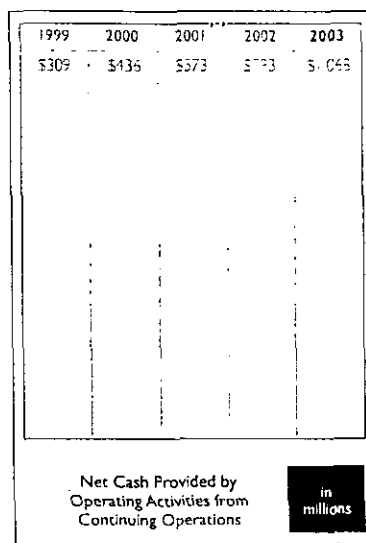
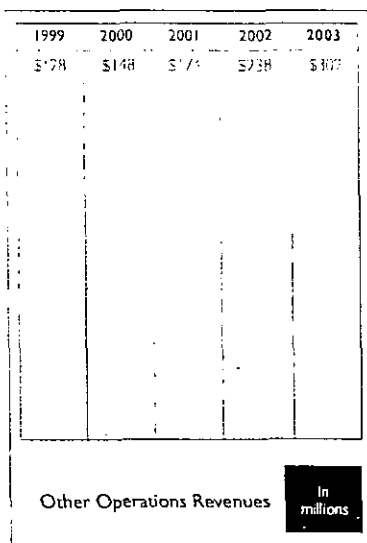
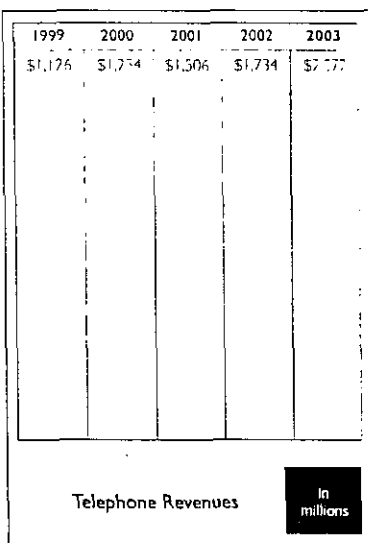
substitution pressures. However, there are several critical factors that we believe will enable our Company to continue to grow and achieve strong financial results during these uncertain and challenging times in the telecommunications industry.

Our Strengths

First, CenturyTel's markets are competitively well positioned. Our service territory averages 14 access lines per square mile, a population density that does not draw significant competitive activity. We further secure our market position by maintaining a high-quality network capable of delivering the advanced services our customers need. When a competitor looks at a CenturyTel market, we try to ensure they cannot identify an unserved customer need. In those markets where we do face competition, our

refined market response processes help us quickly develop and implement competitive solutions.

Second, we have long-standing relationships with our communities and our customers. Our employees live, work and volunteer in the communities we serve and are therefore able to easily understand our customers' needs. This understanding is more important than ever as we look to partner with them and our communities to identify and serve their emerging communications needs. Our customer relationships strengthened in 2003 as we gained more than 30,000 DSL customers, ending the year with nearly 83,500 DSL subscribers in service, and added more than 120,000 long distance customers, now totaling nearly 770,000.



1999	2000	2001	2002	2003
304	363	466	649	770

Long Distance Customers in thousands

1999	2000	2001	2002	2003
-	5	25	53	83

DSL Customers in thousands

Third, we have proven our ability to successfully acquire, integrate and operate wireline properties. Our acquisition strategy is a simple one: we look for reasonably priced non-urban assets that offer the opportunity to leverage efficiencies in our existing base of operations and the ability to grow revenues through deployment of advanced communications and data services. We focus our marketing plans and bundling strategies toward driving incremental revenue growth and improving margins in the acquired properties. For example, as of year-end 2003, we had successfully generated annualized incremental revenue of more than \$50 million and \$48 million in the GTE properties acquired in 2000 and the Verizon properties acquired in 2002, respectively.

Finally, we are absolutely focused on our rural and smaller city wireline strategy. This focus enables us to better understand and meet the needs and challenges of our communities as we develop new products and make network investment decisions. We also leverage this understanding to ensure that rural and small communities have a seat at the table as regulators consider issues such as universal service funding, inter-carrier compensation, VoIP and local number portability. The regulatory, economic and technological issues affecting small markets are often unique, and CenturyTel is well positioned to be an advocate for policies that encourage investment in non-urban markets.

Building for the Future

We recognize that success in yesterday's telecommunications marketplace does not necessarily mean success in the future. At CenturyTel, we are working hard to build upon our solid foundation so that we can meet the opportunities and challenges that lie ahead.

Our network is at the heart of our business, and we will continue to invest in a high-quality network infrastructure. We are deploying fiber deeper into our network with a long-term strategy of delivering services over fiber to the premise.

We believe this network architecture will allow us to meet our customers' evolving needs and to partner with the communities we serve to increase their competitive edge in economic development.

We also believe complementary network assets can both drive our revenue growth and improve our bottom line. In 2003 we acquired several strategic fiber assets that offer us the opportunity to decrease our network operating expense, increase the services that we are offering our existing customer base and develop new revenue streams by providing transport services to an expanded universe of customers. These acquisitions support our business plan and future growth, and we will continue to pursue them where it makes strategic sense.

Finally, we continue to increase our financial strength. Our management and employees have done an excellent job of containing costs, and we continue to focus on ways to gain operating efficiencies. Our strong cash flows, solid balance sheet and stable investment-grade credit ratings provide CenturyTel a solid financial foundation to take advantage of growth opportunities as they arise.

Growth Strategies and Future Outlook

Like our acquisition philosophy, our growth strategies are consistent and straightforward. They are to:

- drive revenue growth through value-added packaging of products – vertical services, data and long distance – using integrated bundles;
- offer additional services through deployment of new technology over our advanced networks;
- expand into complementary business segments as opportunities arise; and
- pursue strategic acquisitions using our disciplined approach.

We understand our customers' needs, we have the network and the people to service those needs, and we have the financial flexibility to pursue attractive network investment and acquisition opportunities. These are the foundations that drive our growth.

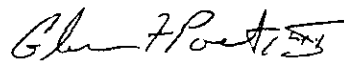
But no matter how focused our strategies may be, we know that the future for facilities-based service providers like CenturyTel will bring new challenges. As we look into 2004, we expect to see lower intrastate toll revenues, lower universal service funding and lower cost study adjustments. These expected decreases, together with continued access line declines and an increase in the Company's effective tax rate, led us earlier this year to provide guidance for 2004 diluted earnings per share that was below Wall Street analysts' expectations. We are confident, however, that CenturyTel is well positioned to meet our challenges and to take advantage of growth opportunities that will allow us to continue driving shareholder value.

Take a Closer Look

On October 24, 2003, CenturyTel celebrated its 25th anniversary as a member of the New York Stock Exchange. During the past 25 years, CenturyTel provided shareholders a compounded annual return, excluding dividends, of nearly 14 percent. In other words, every dollar invested in CenturyTel in 1978 has increased to nearly \$25 today. Our challenge and our goal is to continue to build upon this performance into the future.

As we move toward the next 25 years, I would like to take a moment to express the Company's deepest gratitude to Mr. Earl Hogan who retired in 2003 after more than 35 years of service as a CenturyTel director. Mr. Hogan's contributions had a major impact on CenturyTel's growth over the years. We also welcomed Mr. Fred Nichols to our board in 2003. Mr. Nichols' extensive experience in the cable and video content business will be of great benefit as we develop new products and services to be delivered over our broadband network.

I sincerely appreciate the support of our customers, communities, employees and shareholders as we strive to build upon our past achievements. I believe our markets, our advanced networks, and our focused strategies provide us the platform to continue our success. So I invite you to "take a closer look" at CenturyTel – I believe you'll like what you see.



Glen F. Post, III
*Chairman and Chief
Executive Officer*

Day and night, CenturyTel is providing communications solutions for the residents, students, and businesses in San Marcos, Texas, and cities like it across the country.



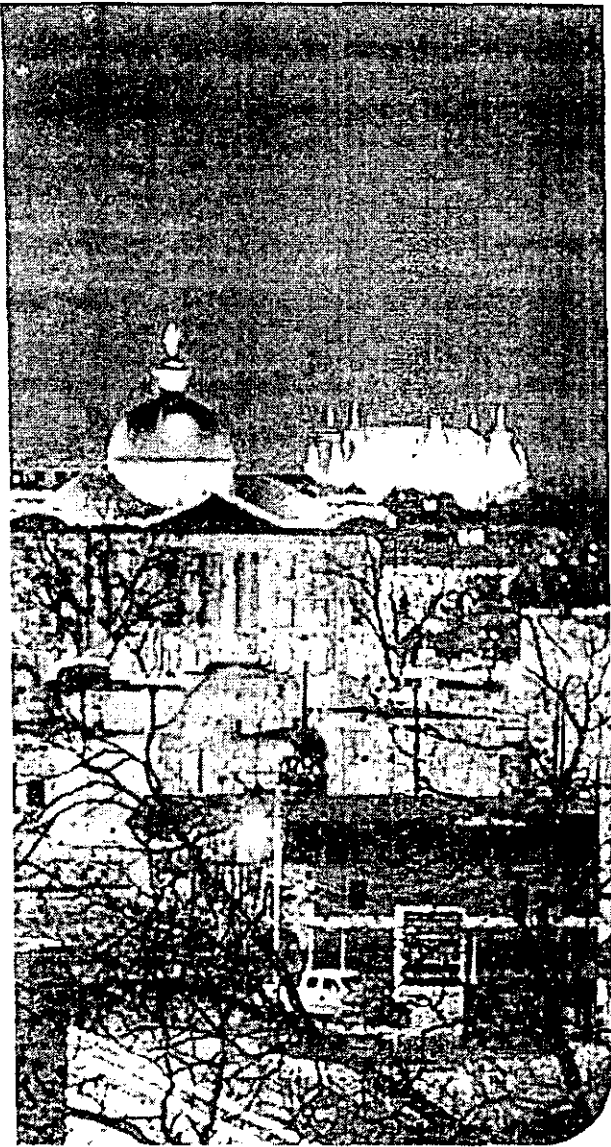
6



When Mochas & Javas Coffeeshop wanted an edge, CenturyTel helped them implement the concept of the "WiFi Cafe," where shop patrons use CenturyTel's high-speed DSL products to connect their PCs to a wireless Internet access point.



Multiple offices of the Hays County, Texas, government take advantage of more than 100 telephone lines — as well as long distance and advanced data services — from CenturyTel.



CenturyTel brings advanced communications services to America's smaller towns and cities.

We offer voice services with a variety of enhanced calling features, high-speed DSL and data services to the homes and businesses in San Marcos, Texas.

In August 2003, we introduced Simple Choice™ Unlimited to our residential customers in San Marcos. This new bundled package provides unlimited local calling, custom calling features and long distance for one price, presented on one bill.

We also partner with businesses, local government and Texas State University – San Marcos, leveraging our expertise to help them grow.

At CenturyTel, community matters. Our customers are our neighbors. We value the opportunity to serve them and to support the causes our communities care about, both through our sponsorships and employee involvement.



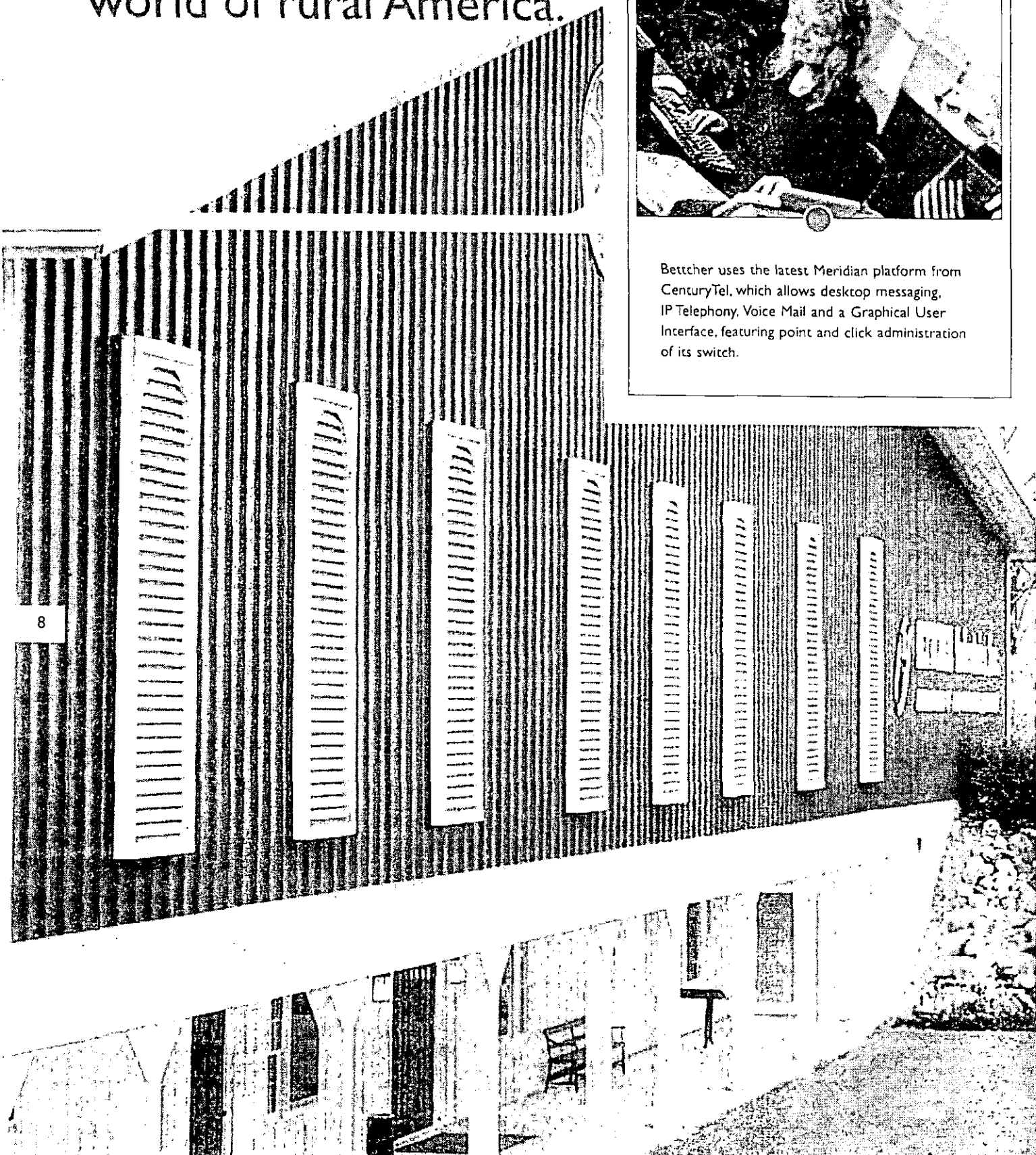
CenturyTel provides software and technical support to the Texas State University – San Marcos switching facility. The University's 25,000 students can utilize a wide variety of CenturyTel services.

View the opportunities in smaller towns and cities.

Discover the high-tech world of rural America.



Bettcher uses the latest Meridian platform from CenturyTel, which allows desktop messaging, IP Telephony, Voice Mail and a Graphical User Interface, featuring point and click administration of its switch.





Families in the rural areas and smaller cities we serve enjoy CenturyTel's Simple Choice™ bundles, comprised of local service and features such as Caller ID, Voice Mail and Call Waiting, together with long distance or Internet service at one great price.

Vermilion, Ohio, with its population of fewer than 11,000, is a typical CenturyTel market. Drive along a rural stretch of Route 60 near Vermilion and you'll discover Bettcher Industries, Inc., a food processing equipment manufacturer.

What may surprise you is that, inside, Bettcher is using CenturyTel's advanced voice, data and Internet services to conduct business with customers from Switzerland to Brazil to the Philippines and many points in between.

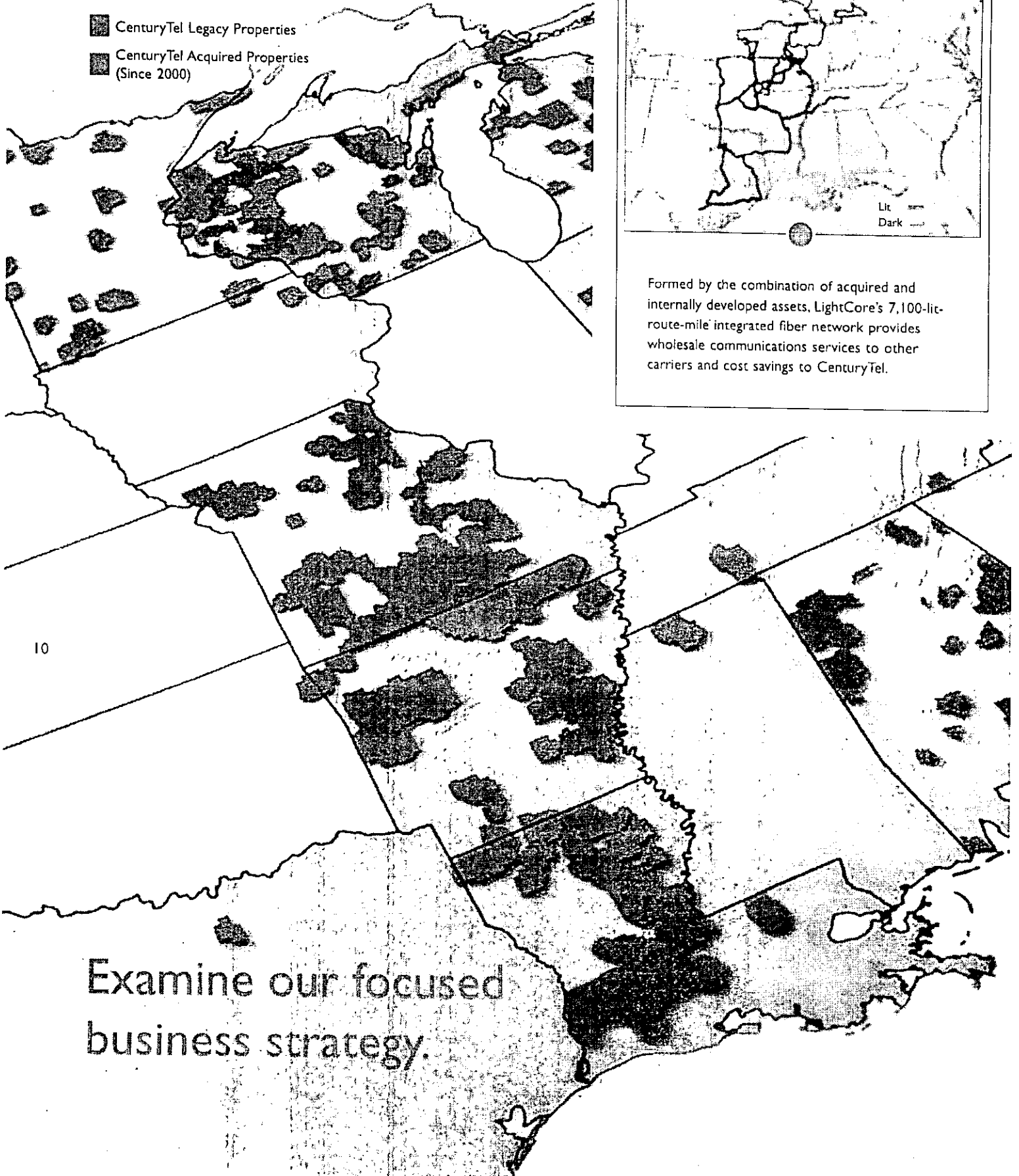
Continued investment in our 100 percent digitally switched telephone network with supporting ATM backbone enables us to answer the growing demand for state-of-the-art communications services in Vermilion and the other markets we serve. This allows us to enhance the economic development in our communities and positions us to generate additional revenue growth in the years ahead.



Bettcher enhances its productivity through use of CenturyTel's high-speed data connections for fast downloads, large graphic-intensive file transfers and video communications across the country and the world.

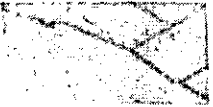
CenturyTel's history of acquiring properties in rural areas and smaller cities – and investing in them to improve service and drive revenue – has fueled our growth.

- CenturyTel Legacy Properties
- CenturyTel Acquired Properties (Since 2000)

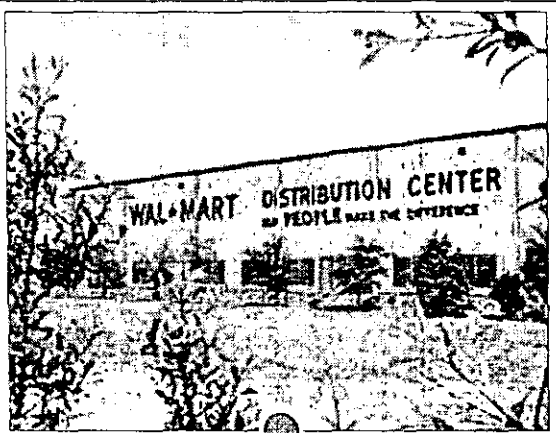


Formed by the combination of acquired and internally developed assets, LightCore's 7,100-lit-route-mile integrated fiber network provides wholesale communications services to other carriers and cost savings to CenturyTel.

Examine our focused business strategy.



CenturyTel acquired the Altus, Arkansas, exchange in 2000. Now residents and businesses like the Post Familie Vineyards and Winery can use CenturyTel's high-speed DSL Internet service to market their products worldwide.



CenturyTel partners with our communities to support their economic development efforts. Opening soon in Brundidge, Alabama, is a new Wal-Mart Distribution Center with high-speed T1 connections from CenturyTel and 600 new jobs.



One of CenturyTel's principal strategies is to leverage our ownership of the "last mile" of connectivity to provide our customers with an increasing selection of advanced communications services. Recent acquisitions illustrate our ability to successfully drive new products and services into our customer base.

Incremental annualized revenue from the markets we acquired in 2000 stands at more than \$50 million, which is near the top end of our projections at the time of the acquisition.

For the markets acquired in 2002, incremental annualized revenue is already more than \$48 million, a level we did not expect to achieve until mid-2005. In these same markets, we've increased the total number of DSL-capable lines from 19 to 47 percent, and we went from zero to nearly 25 percent long distance penetration in the first year alone.

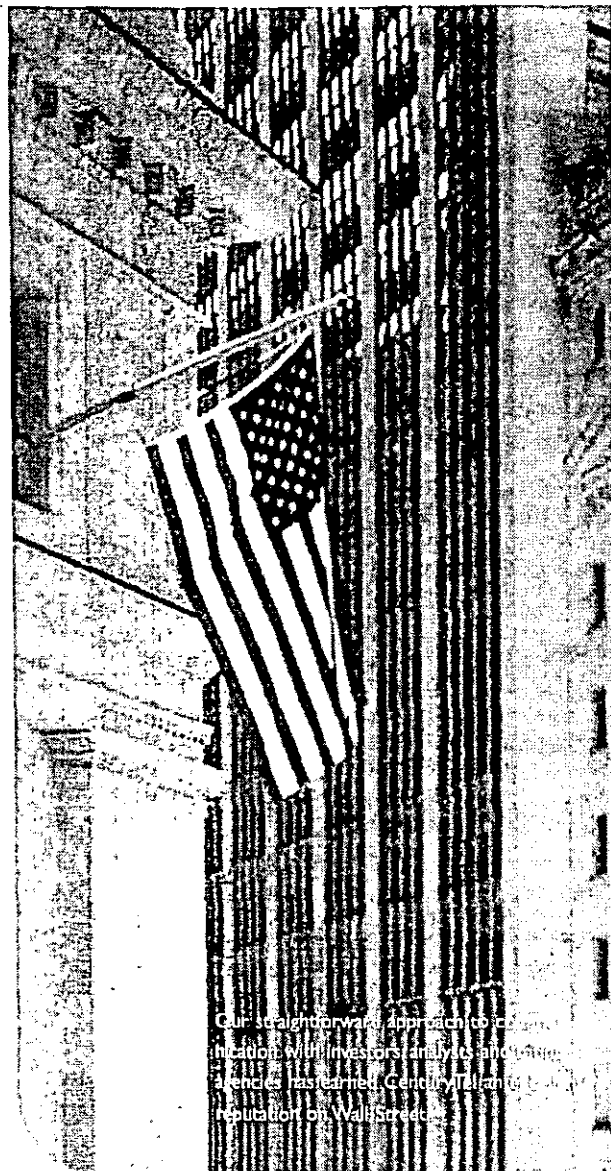
CenturyTel achieved these results by listening to our customers, delivering advanced telecommunications services to these markets and providing superior customer service and support.

Consider our financial stability.

CenturyTel's tradition of prudent resource management has resulted in a long and stable history of excellent financial performance. Over the last 25 years, CenturyTel's total assets grew from approximately \$200 million to nearly \$7.9 billion, while stockholders' equity increased from \$32 million to nearly \$3.5 billion.

CenturyTel's strong and growing cash flows, investment-grade credit ratings and solid balance sheet help ensure our continued flexibility to pursue growth opportunities as they arise.

We will continue to pursue revenue and cash flow growth by providing value-added bundled services, introducing new products in our markets and seeking disciplined acquisitions that complement our existing operations.

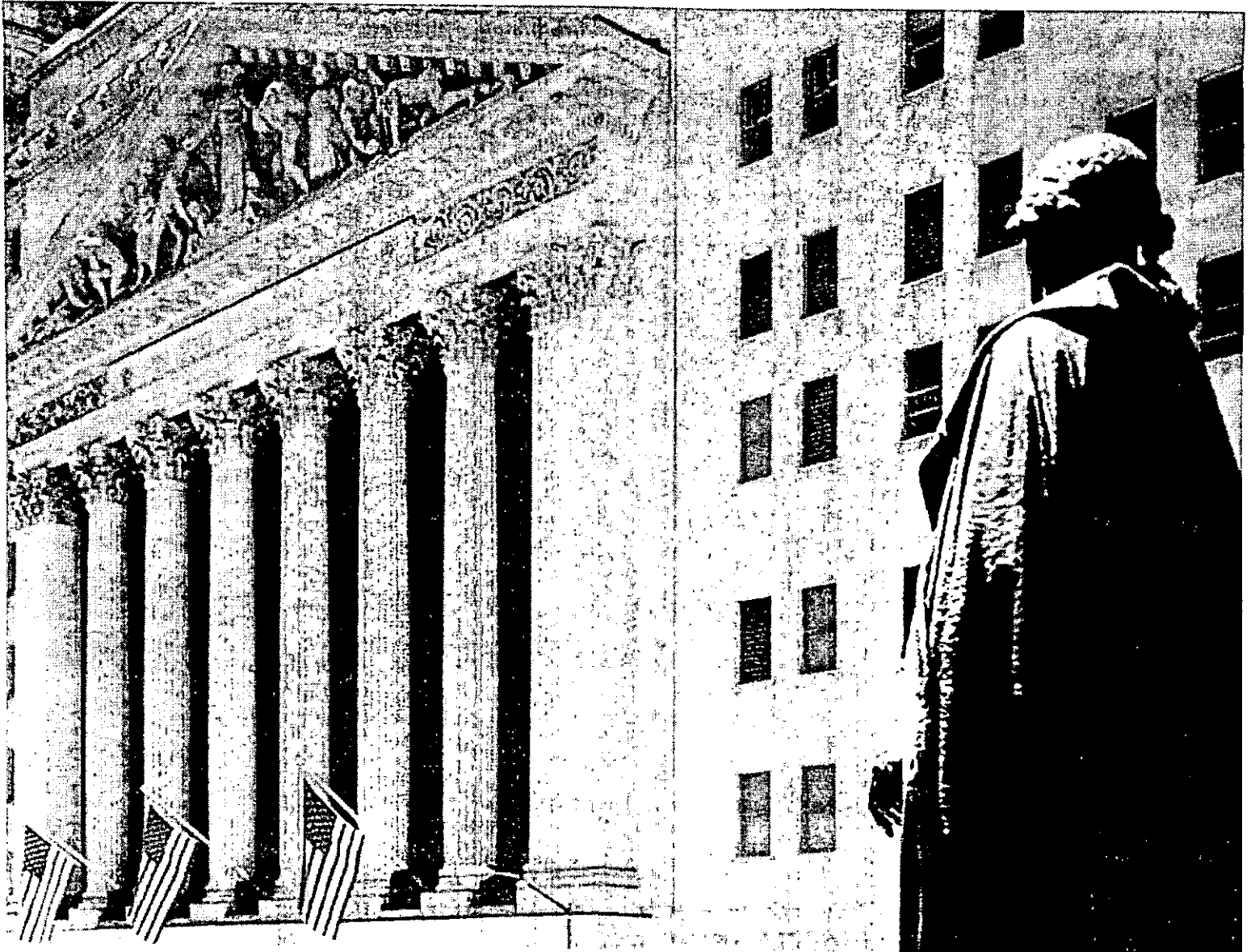


Our straightforward approach to communication with investors, analysts and other agencies has earned CenturyTel an excellent reputation on Wall Street.

12

1973	1983	1988	1993	1998	2003
\$200	\$350	\$498	\$1,319	\$4,933	\$7,896
Total Assets					

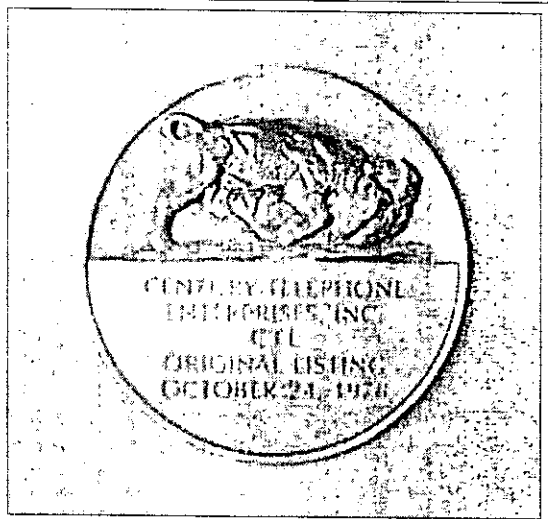
in millions



1978	1983	1988	1993	1998	2003
\$32	\$94	\$153	\$514	\$1,133	\$3,479

Stockholders' Equity

in millions



CenturyTel celebrated the 25th anniversary of our listing on the New York Stock Exchange on October 24, 2003.



See where we're going.



CenturyTel engineers work to ensure a high-quality broadband-capable network that provides advanced products and services to our customers.



14

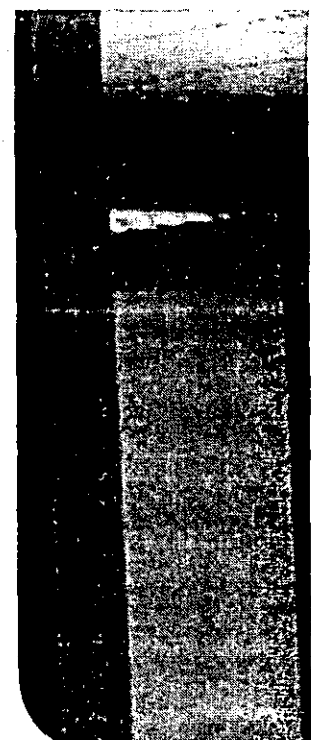
At the Network Support Center, a team of professionals monitors CenturyTel's 200,000-route-mile network, providing real-time data to all areas of management, customer contact and repair centers.



CenturyTel's customer service team – focused on sales and service and strengthened by extensive system improvements – offers customers more communications solutions than ever before.



CenturyTel's marketing team developed Simple Choice™ bundles to give our customers simplicity, value and flexibility through a choice of features for one price, on one bill.



CenturyTel is prepared for the future. We remain focused on utilizing our advanced network to provide a choice of communications solutions to the rural areas and smaller cities we serve throughout 22 states.

We know that our network must grow along with the demands of our customers. This year we expect to invest approximately \$400 million to upgrade and maintain it. We will continue to drive fiber further into our markets and increase optical bandwidth to broaden our advanced services capabilities and attract new customers.

We know, too, that our future depends upon more than an advanced network. Our employees will continue to focus on the evolving demands of our customers, and we will implement new processes and technologies to better serve our customers and further our growth.

At CenturyTel, our goal is to be the premier provider of communications services in the rural areas and smaller cities we serve. Our advanced network, our dedicated employees and our focus on that goal will continue to guide us into the future.

Access Lines



16

	Access Lines	Percent of Total	Top 5 States	Top 12 States	22 States
Wisconsin	478,134	20.1			
Missouri	472,884	19.9			
Alabama	283,501	11.9			
Arkansas	264,787	11.1			
Washington	186,329	7.9	70.9%		
Michigan	111,104	4.7			
Louisiana	103,726	4.4			
Colorado	95,726	4.0			
Ohio	82,995	3.5			
Oregon	75,530	3.2			
Montana	64,863	2.7			
Texas	46,397	2.0		95.4%	
Minnesota	30,469	1.3			
Tennessee	27,084	1.1			
Mississippi	24,420	1.0			
New Mexico	6,512	0.3			
Idaho	5,974	0.3			
Wyoming	5,669	0.2			
Indiana	5,401	0.2			
Iowa	2,082	0.1			
Arizona	2,000	0.1			
Nevada	531	0.0			100.0%
	2,376,118	100.0			

Telephone Access Lines

Year-End
2003

Financial Highlights

Dollars, except per share amounts, and shares in thousands	2003	2002	2001	2000	1999	5-Year CAGR ⁽¹⁾
Revenues from continuing operations	\$ 2,380,745	1,971,996	1,679,504	1,402,357	1,254,400	15.3%
Operating income from continuing operations	\$ 750,396	575,406	425,305	386,137	354,723	17.5%
Depreciation and amortization	\$ 470,641	411,626	407,038	322,817	280,223	12.1%
Income from continuing operations, as adjusted ⁽²⁾	\$ 344,707	193,533	195,408	164,044	165,507	17.8%
Net income	\$ 344,707	801,624	343,031	231,474	239,769	8.5%
Net income, as adjusted ⁽²⁾	\$ 344,707	801,624	399,297	278,029	281,583	4.9%
Diluted earnings per share from continuing operations, as adjusted ⁽²⁾	\$ 2.38	1.35	1.37	1.16	1.17	16.9%
Diluted earnings per share, as adjusted ⁽²⁾	\$ 2.38	5.61	2.81	1.96	1.99	4.2%
Dividends per common share	\$ 0.22	0.21	0.20	0.19	0.18	4.9%
Average diluted shares outstanding	144,700	142,879	142,307	141,864	141,432	0.6%
Number of common shareholders	4,613	5,181	5,460	5,714	6,120	(8.9%)
Total assets	\$ 7,895,852	7,770,408	6,318,684	6,393,290	4,705,407	9.9%
Long-term debt	\$ 3,109,302	3,578,132	2,087,500	3,050,292	2,075,212	4.0%
Stockholders' equity	\$ 3,478,516	3,088,004	2,337,380	2,032,079	1,847,992	17.8%
Telephone access lines	2,376,118	2,414,564	1,797,643	1,800,565	1,272,867	12.0%
Long distance customers	769,766	648,797	465,872	363,307	303,722	27.7%

(1) Five-year compounded annual growth rate

(2) As adjusted to reflect the effect of eliminating goodwill amortization in accordance with SFAS 142 for periods prior to 2002

The above table includes financial information presented in accordance with generally accepted accounting principles. For information on certain nonrecurring items that affected the Company, please refer to the Company's 2003 Annual Report on Form 10-K.

Independent Auditors' Report

The Board of Directors

CenturyTel, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheets of CenturyTel, Inc. and its subsidiaries as of December 31, 2003 and 2002, and the related statements of income, comprehensive income, cash flows and stockholders' equity for each of the years in the three-year period ended December 31, 2003 (not presented herein, but included in the Company's 2004 Proxy Statement); and in our report dated January 29, 2004, we expressed an opinion on those consolidated financial statements. Our report refers to a change in accounting for goodwill and other intangible assets in 2002.

In our opinion, the information set forth in the accompanying selected condensed consolidated financial statements of CenturyTel, Inc. is fairly stated in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

KPMG LLP
Shreveport, Louisiana
January 29, 2004

18

2003 Financial Information

The following pages of CenturyTel's Annual Report contain selected condensed consolidated financial statements. Full financial statements, along with certifications required under the Sarbanes-Oxley Act of 2002 and management's discussion and analysis of financial condition and results of operations, are provided in the Company's 2004 Proxy Statement ("Proxy Statement") and 2003 Annual Report on Form 10-K ("Form 10-K") filed with the Securities and Exchange Commission. The Proxy Statement will be mailed to shareholders.

A copy of the Company's Form 10-K can be obtained at no charge by contacting the Company's Investor Relations department at 800.833.1188 or by accessing the Company's Web site at www.centurytel.com.

In addition to historical information, this Annual Report includes certain forward-looking statements that are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Please refer to the Company's Form 10-K for the year ended December 31, 2003 for a description of these and other uncertainties related to the Company's business.

Consolidated Statements of Income

Dollars, except per share amounts, and shares in thousands	Year ended December 31,		
	2003	2002	2001
Operating Revenues			
Telephone	\$ 2,071,980	1,733,592	1,505,733
Other	308,765	238,404	173,771
Total operating revenues	2,380,745	1,971,996	1,679,504
Operating Expenses			
Cost of sales and operating expenses (exclusive of depreciation and amortization)	1,159,708	973,689	826,948
Corporate overhead costs allocable to discontinued operations	-	11,275	20,213
Depreciation and amortization	470,641	411,626	407,038
Total operating expenses	1,630,349	1,396,590	1,254,199
Operating Income	750,396	575,406	425,305
Other Income (Expense)			
Interest expense	(226,751)	(221,845)	(225,523)
Income from unconsolidated cellular entity	6,160	5,582	7,592
Nonrecurring gains and losses, net	-	3,709	33,043
Other income and expense	2,154	(63,814)	32
Total other income (expense)	(218,437)	(276,368)	(184,856)
Income from Continuing Operations Before Income Tax Expense	531,959	299,038	240,449
Income Tax Expense	187,252	105,505	91,368
Income from Continuing Operations	344,707	193,533	149,081
Discontinued Operations			
Income from discontinued operations, net of \$284,459 and \$118,657 tax	-	608,091	193,950
Net Income	\$ 344,707	801,624	343,031
Net Income, as Adjusted for Goodwill Amortization	\$ 344,707	801,624	399,297
Basic Earnings per Share			
From continuing operations	\$ 2.40	1.36	1.06
From continuing operations, as adjusted for goodwill amortization	\$ 2.40	1.36	1.39
From discontinued operations	\$ -	4.29	1.38
From discontinued operations, as adjusted for goodwill amortization	\$ -	4.29	1.45
Basic earnings per share	\$ 2.40	5.66	2.43
Basic earnings per share, as adjusted for goodwill amortization	\$ 2.40	5.66	2.83
Diluted Earnings per Share			
From continuing operations	\$ 2.38	1.35	1.05
From continuing operations, as adjusted for goodwill amortization	\$ 2.38	1.35	1.37
From discontinued operations	\$ -	4.26	1.36
From discontinued operations, as adjusted for goodwill amortization	\$ -	4.26	1.43
Diluted earnings per share	\$ 2.38	5.61	2.41
Diluted earnings per share, as adjusted for goodwill amortization	\$ 2.38	5.61	2.81
Dividends per Common Share	\$ 0.22	0.21	0.20
Average Basic Shares Outstanding	143,583	141,613	140,743
Average Diluted Shares Outstanding	144,700	142,879	142,307

Consolidated Balance Sheets

Dollars in thousands	December 31,	
	2003	2002
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 203,181	3,661
Accounts receivable	236,187	272,992
Materials and supplies, at average cost	9,229	10,150
Other	14,342	9,099
Total current assets	462,939	295,902
Net Property, Plant and Equipment	3,455,481	3,531,645
Investments and Other Assets		
Goodwill	3,425,001	3,427,281
Other	552,431	515,580
Total investments and other assets	3,977,432	3,942,861
Total Assets	\$ 7,895,852	7,770,408
LIABILITIES AND EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 72,453	70,737
Accounts payable	113,274	64,825
Accrued expenses and other current liabilities	241,044	210,658
Advance billings and customer deposits	44,612	41,884
Total current liabilities	471,383	388,104
Long-Term Debt	3,109,302	3,578,132
Deferred Credits and Other Liabilities	836,651	716,168
Stockholders' Equity		
Common stock, \$1.00 par value, authorized 350,000,000 shares, issued and outstanding 144,364,168 and 142,955,839 shares	144,364	142,956
Paid-in capital	576,515	537,804
Accumulated other comprehensive income (loss), net of tax	-	(36,703)
Retained earnings	2,750,162	2,437,472
Unearned ESOP shares	(500)	(1,500)
Preferred stock - non-redeemable	7,975	7,975
Total stockholders' equity	3,478,516	3,088,004
Total Liabilities and Equity	\$ 7,895,852	7,770,408

Consolidated Statements of Cash Flows

Dollars in thousands	Year ended December 31,		
	2003	2002	2001
Operating Activities from Continuing Operations			
Net Income	\$ 344,707	801,624	343,031
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations			
Income from discontinued operations, net of tax	–	(608,091)	(193,950)
Depreciation and amortization	470,641	411,626	407,038
Deferred income taxes	128,706	71,112	57,944
Income from unconsolidated cellular entity	(6,160)	(5,582)	(7,592)
Nonrecurring gains and losses, net	–	(3,709)	(33,043)
Changes in current assets and current liabilities	160,984	69,650	15,385
Retirement benefits	(14,739)	(9,416)	(5,059)
Increase in noncurrent assets	(23,528)	(30,543)	(65,698)
Increase (decrease) in noncurrent liabilities	(6,151)	35,489	691
Other, net	13,504	61,274	54,139
Net cash provided by operating activities from continuing operations	1,067,964	793,434	572,886
Investing Activities from Continuing Operations			
Acquisitions, net of cash acquired	(86,243)	(2,245,026)	(47,131)
Payments for property, plant and equipment	(377,939)	(386,267)	(435,515)
Proceeds from sale of assets	–	4,144	58,184
Distributions from unconsolidated cellular entity	1,104	5,438	3,713
Other, net	(1,560)	(1,378)	3,553
Net cash used in investing activities from continuing operations	(464,638)	(2,623,089)	(417,196)
Financing Activities from Continuing Operations			
Proceeds from issuance of debt	–	2,123,618	3,896
Payments of debt	(432,258)	(1,592,246)	(379,516)
Proceeds from settlement of interest rate hedge contract	22,315	–	–
Proceeds from issuance of common stock	33,980	29,125	7,351
Payment of debt issuance costs	–	(12,999)	–
Payment of equity unit issuance costs	–	(15,867)	–
Cash dividends	(32,017)	(30,156)	(28,653)
Other, net	4,174	4,866	1,549
Net cash provided by (used in) financing activities from continuing operations	(403,806)	506,341	(395,373)
Net cash provided by discontinued operations	–	1,323,479	231,772
Net increase (decrease) in cash and cash equivalents	199,520	165	(7,911)
Cash and cash equivalents at beginning of year	3,661	3,496	11,407
Cash and Cash Equivalents at End of Year	\$ 203,181	3,661	3,496

CenturyTel Management



Karen A. Puckett
*President and
Chief Operating Officer*



R. Stewart Ewing, Jr.
*Executive Vice President and
Chief Financial Officer*



David D. Cole
*Senior Vice President –
Operations Support*



Stacey W. Goff
*Senior Vice President, General Counsel
and Corporate Secretary*



Michael E. Maslowski
*Senior Vice President
and Chief Information Officer*

Accomplishments

Glen Post and this executive officer team are dedicated to successfully leading CenturyTel into the future. Amid the challenges of the early 21st century, the Company has succeeded in:

Growing annual incremental revenue of more than \$50 million from the 2000 GTE acquisitions and more than \$48 million from the 2002 Verizon acquisitions.

Increasing marketable revenues (including long distance, Internet access, enhanced calling features, CPE and data services) to approximately \$650 million in 2003 – more than 20 percent higher than 2002.

More than doubling the number of long distance customers from 363,300 in 2000 to 769,800 in 2003.

Maintaining a strong balance sheet and liquidity, giving CenturyTel financial flexibility. (Debt-to-equity ratio was .91-to-1 at the end of 2003, improving from the 1.18-to-1 at the end of 2002.)

Deploying Digital Subscriber Line (DSL) service to 63 percent of our access lines. (Currently 1.5 million of CenturyTel's access lines are DSL capable.)

Growing the Simple Choice™ premium strategic bundle platform customer base by nearly 98,000 customers (a 109 percent increase) in 2003.

CenturyTel Leadership

Directors

Glen F. Post, III (1*, 7)

Occupation: Chairman of the Board and Chief Executive Officer

CenturyTel
Monroe, Louisiana
Joined Board: 1985

William R. Boles, Jr. (6*)

Occupation: President and practicing attorney

The Boles Law Firm
Monroe, Louisiana
Joined Board: 1992

Virginia Boulet (2, 3*)

Occupation: President

IMDiversity, Inc.
New Orleans, Louisiana
Joined Board: 1995

Calvin Czeschin (1, 6, 7)

Occupation: President

Yelcor Telephone Company
Mountain Home, Arkansas
Joined Board: 1974

James B. Gardner (1, 2*, 4, 5, 7*)

Occupation: Managing Director

SAMCO Capital Markets
Dallas, Texas
Joined Board: 1981

W. Bruce Hanks (6)

Occupation: Athletic Director

University of Louisiana at Monroe
Monroe, Louisiana
Joined Board: 1992

R. L. Hargrove, Jr. (1, 2, 3)

Occupation: Retired telephone executive

Monroe, Louisiana
Joined Board: 1985

Johnny Hebert (6)

Occupation: President and private investor

Valley Electric
West Monroe, Louisiana
Joined Board: 1968

C. G. Melville, Jr. (3, 4*, 5*)

Occupation: Private investor

New Orleans, Louisiana
Joined Board: 1968

Fred Nichols (2)

Occupation: Retired cable executive

Tyler, Texas
Joined Board: 2003

Harvey P. Perry (1)

Occupation: Vice Chairman of the Board and retired telephone executive

CenturyTel
Monroe, Louisiana
Joined Board: 1990

Jim D. Reppond (1, 4)

Occupation: Retired telephone executive

Salem, Arkansas
Joined Board: 1986

Joseph R. Zimmel (2)

Occupation: Private investor

Greenwich, Connecticut
Joined Board: 2003

Executive Officers

Glen F. Post, III

Chairman of the Board and Chief Executive Officer

Karen A. Puckett

President and Chief Operating Officer

R. Stewart Ewing, Jr.

Executive Vice President and Chief Financial Officer

David D. Cole

Senior Vice President – Operations Support

Stacey W. Goff

Senior Vice President, General Counsel and Corporate Secretary

Michael E. Maslowski

Senior Vice President and Chief Information Officer

Committees

- (1) Executive
 - (2) Audit
 - (3) Nominating and Corporate Governance
 - (4) Compensation
 - (5) Incentive Awards Subcommittee (of Compensation)
 - (6) Risk Evaluation
 - (7) Special Pricing
- * Denotes chairperson

This report includes certain forward-looking statements that are subject to uncertainties that could cause CenturyTel's actual results to differ materially. A description of these uncertainties and other information regarding forward-looking statements is contained in CenturyTel's annual report on Form 10-K.

Shareholder Information

Further Information

Call 800.833.1188, Monday through Friday from 8 a.m. to 5 p.m. Central Time for stock-related inquiries. Certain financial information can also be found on CenturyTel's corporate Web site at www.centurytel.com. To obtain a copy of CenturyTel's annual report on Form 10-K at no charge, contact:

Tony Davis
Vice President of Investor Relations
CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203

800.833.1188 Telephone
318.388.9064 Fax
tony.davis@centurytel.com

Dividend Reinvestment Plan

By participating in CenturyTel's Dividend Reinvestment and Stock Purchase Service (the Service), shareholders may purchase common stock with their reinvested dividends at market price. In order to participate in this plan, individuals must own at least one share of CenturyTel stock registered in their name. Under this service, shareholders pay no commission or handling charge for purchases made with reinvested dividends or those made under the optional cash purchase provision. Optional payments must be at least \$25 per payment with a maximum of \$150,000 per calendar year. Optional payments may be made weekly by check, or monthly via check or direct debit. Upon request, shareholders can obtain information on the Service directly from CenturyTel or from our Transfer Agent.

Computershare Investor Services, L.L.C.
Dividend Reinvestment Department
P.O. Box A3309
Chicago, Illinois 60690-3309
800.969.6718

CenturyTel participates in the NAIC (National Association of Investors' Corporation) Low-Cost Investment Plan.

Annual Meeting

CenturyTel's annual meeting of shareholders will be held Thursday, May 6, 2004, at 2 p.m. Central Time at the following location:

Corporate Headquarters
100 CenturyTel Drive
Monroe, Louisiana 71203

Trading and Dividend Information

	High	Low	Close	Dividends Declared
2003				
1st Quarter	\$ 31.79	\$ 25.25	\$ 27.60	\$.0550
2nd Quarter	35.90	27.33	34.85	.0550
3rd Quarter	35.85	32.45	33.89	.0550
4th Quarter	36.76	30.09	32.62	.0550
2002				
1st Quarter	\$ 35.50	\$ 28.80	\$ 34.00	\$.0525
2nd Quarter	34.45	27.00	29.50	.0525
3rd Quarter	30.60	21.13	22.43	.0525
4th Quarter	31.65	22.35	29.38	.0525

CenturyTel, Inc. Stock

CenturyTel's common stock is listed on the New York Stock Exchange under the symbol CTL.

Projected Dividend Dates

	Record Date	Payment Date
1st Quarter	March 8, 2004	March 19, 2004
2nd Quarter	June 7, 2004	June 18, 2004
3rd Quarter	September 7, 2004	September 17, 2004
4th Quarter	December 3, 2004	December 17, 2004

* Subject to discretion of the CenturyTel, Inc. Board of Directors.



CenturyTel Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203
800.831.1188
www.centurytel.com

OTC
LISTED
NYSE