




**DATE:** December 8, 2008

**TO:** CenturyTel Benefit Plan Participants

**FROM:** Marina Pearson,   
Vice President, Compensation and Benefits

**SUBJECT:** Summary Annual Reports

In order to comply with the Internal Revenue Service requirements and the Department of Labor, the Company has completed Annual Reports on the financial condition of Company sponsored benefit plans. The Annual Reports have been filed with the Employee Benefits Security Administration and the Department of Labor as required under the Employee Retirement Income Security Act of 1974 (ERISA).

This Booklet includes a Summary Annual Report for each of the following benefit plans:

- CenturyTel, Inc. Welfare Benefits Plan 512, Unfunded Plan
- CenturyTel, Inc. Welfare Benefits Plan 511, Funded Plan
- CenturyTel Retirement Plan
- CenturyTel, Inc. Dollars & Sense Plan
- CenturyTel, Inc. Union 401(k) Plan and Trust
- Madison River Telephone Company, LLC Employees' Retirement Plan
- Madison River Telephone company Profit sharing and 401(k) Plan and Trust
- Madison River Telephone Company LLC Healthcare Plan
- Gulf Telephone Company Employee Stock Ownership Plan

These Summary Annual Reports are designed to inform eligible participants about the financial aspects of each plan for 2007. The information is comprehensive and not all of it applies to every participant.

We realize these reports are complex and quite technical. Unfortunately, federal law is very strict about the content and form of the SAR, so we are not able to make the report as "user-friendly" as we would like it to be.

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**CENTURYTEL, INC.  
WELFARE BENEFITS  
PLAN 512 UNFUNDED  
PLAN**

EIN 72-0651161  
For the period January 1,  
2007 through December 31,  
2007

Includes:  
Medical, dental, vision, and  
life insurance benefits for  
active, COBRA, LTD  
employees, certain non-  
bargained retired  
employees; and Section 125  
benefits for active  
employees.

CenturyTel, Inc. has committed itself to pay certain medical, dental, vision and life claims incurred under the terms of the Plan.

**Insurance Information**

The Plan has contracts with several insurance companies to pay claims incurred under the terms of the Plan.

**Insured Plans:**

The total premiums paid for the Plan year ending December 31, 2007 were \$3,342,573. Because they are so-called experienced rated contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the Plan year ending December 31, 2007, the premiums paid under such experience-rated contracts during the Plan year were \$3,342,573.

**Self-Insured Plans:**

Expenses for the self-insured Plans were \$77,433,889. These expenses included \$3,551,944 to BlueCross BlueShield of Alabama, \$14,152,757 to Express Scripts for prescription drug claims, \$4,583,738 to Lumenos for medical claims, \$5,478,982 to MetLife for dental claims, \$730,699 to United Behavioral Health for mental health and substance abuse claims, \$43,752,896 to United Healthcare for medical claims, \$909,552 to Vision Service Plan for vision claims, for a total of \$73,160,568 in benefit claims paid by CenturyTel, Inc. and \$4,273,321 in administrative fees paid to these health care vendors.

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**CENTURYTEL, INC.  
WELFARE BENEFITS  
PLAN 511**

**FUNDED PLAN**  
EIN 72-0651161  
For the period January 1,  
2007 through December 31,  
2007

Includes:  
Medical, dental and vision,  
benefits for bargained  
retirees; life insurance  
benefits for bargained and  
non-bargained retired  
employees, and certain  
long-term disability benefits  
for employees.

CenturyTel, Inc. has committed itself to pay certain medical, dental, vision, life, survivor and long-term disability claims incurred under the terms of the Plan.

**Insurance Information**

The Plan has contracts with several insurance companies to pay claims incurred under the terms of the Plan.

**Insured Plans:**

The total premiums paid for the Plan year ending December 31, 2007 were \$2,903,552. Because they are so-called experienced rated contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the Plan year ending December 31, 2007, the premiums paid under such experience-rated contacts during the Plan year were \$2,903,552.

**Self-Insured Plans:**

Expenses for the self-insured Plans were \$4,517,840. These expenses included \$408,826 to BlueCross BlueShield of Alabama for healthcare claims, \$1,292,253 to Express Scripts for prescription drug claims, \$2,776 to United Behavioral Health for mental health and substance abuse claims, \$2,449,957 to United Healthcare for medical claims, \$53,555 to Vision Service Plan for vision claims, for a total of \$4,207,367 in benefit claims paid by CenturyTel, Inc. and \$310,473 in administrative fees paid to the health care vendors.

**Basic Financial Information**

The value of the Plan assets, after subtracting liabilities of the Plan, was \$13,813,555 as of December 31, 2007, compared to \$18,916,269 as of January 1, 2007. During the Plan year the Plan experienced a decrease in its net assets of \$5,102,714. This decrease includes unrealized appreciation and depreciation in the value of Plan assets; that is, the difference between the value of the Plan's assets at the end of the year and the value of assets at the beginning of the year or the cost of assets acquired during the year. During the Plan Year, the Plan had total income of \$2,556,775, including employer contributions of \$1,010,436, employee contributions of \$539,563, other contributions of \$71,797 and earnings from investments of \$934,979.

Plan expenses were \$7,659,489. These expenses included \$7,339,666 paid to insurance carriers for the provisions of benefits, \$319,823 in administrative fees.

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**CENTURYTEL  
RETIREMENT PLAN**

EIN 72-0651161  
Plan Number 001  
For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were \$45,483,842. These expenses included \$25,225 in administrative expenses and \$45,458,617 in benefits paid to participants and beneficiaries. A total of 8,995 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$457,809,274 as of December 31, 2007, compared to \$461,300,334 as of January 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$3,491,060. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$41,992,782 including employer contributions of \$1,517 and earnings from investments of \$41,991,265.

**Minimum Funding Standards**

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

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**CENTURYTEL, INC.  
DOLLARS & SENSE PLAN  
EIN 72-0651161  
Plan Number 010**  
For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$50,234,019. These expenses included \$50,234,019 in benefits paid to participants and beneficiaries. A total of 6,658 persons were participants in or beneficiaries of the plan at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$542,728,403 as of December 31, 2007, compared to \$521,207,927 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$21,520,476. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year, a transfer to this plan of \$26,259,323 from other qualified plans. The plan had a total income of \$45,495,172 including employer contributions of \$7,505,279, employee contributions of \$16,156,961, rollover contributions of \$618,551 and earnings from investments of \$21,214,381.

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**CENTURYTEL, INC. UNION  
401(k) PLAN AND TRUST  
EIN 72-0651161  
Plan Number 003**  
For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$8,932,811. These expenses included \$8,932,811 in benefits paid to participants and beneficiaries. A total of 2,037 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$94,646,886 as of December 31, 2007, compared to \$78,247,132 as of January 1, 2007. During the plan year the plan experienced an increase in its net assets of \$16,399,754. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year, as well as a transfer to this plan of \$11,151,130. The plan had total income of \$14,181,435 including employer contributions of \$2,864,655, employee contributions of \$6,204,781, rollover contributions of \$240,433, and earnings from investments of \$4,871,566.

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**MADISON RIVER  
TELEPHONE COMPANY,  
LLC EMPLOYEES'  
RETIREMENT PLAN  
EIN 56-1968779  
Plan Number 001**  
For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through insurance and through a trust fund. Plan expenses were \$1,987,037. These expenses included \$92,256 in administrative expenses, \$1,844,858 in benefits paid to participants and beneficiaries and \$49,923 in life insurance premiums. A total of 497 persons were participants in or beneficiaries of the plan at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$11,822,865 as of December 31, 2007, compared to \$12,478,785 as of January 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$655,920. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$1,331,117 including employer contributions of \$600,000 and earnings from investments of \$731,117.

**Minimum Funding Standards**

An actuary's statement shows that enough money was contributed to the plan to keep it funded in accordance with the minimum funding standards of ERISA.

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**MADISON RIVER  
TELEPHONE COMPANY  
PROFIT SHARING AND  
401(k) PLAN AND TRUST  
Plan Number 001**  
For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$5,564,281. These expenses included \$5,554,082 in benefits paid to participants and beneficiaries and \$10,199 in other expenses. A total of 0 persons were participants in or beneficiaries of the plan at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$0 as of December 31, 2007, compared to \$38,470,995 as of January 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$38,470,995. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year, as well as a transfer to other plans of \$37,160,525. The plan had total income of \$4,253,811 including employer contributions of \$481,921, employee contributions of \$1,308,063, rollover contributions of \$45,215, and earnings from investments of \$2,418,612.

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**MADISON RIVER  
TELEPHONE COMPANY  
LLC HEALTHCARE PLAN  
Plan Number 501**  
For the period January 1,  
2007 through December 31,  
2007

**Insurance Information**

The Plan has contracts with several insurance companies to pay claims incurred under the terms of the Plan.

**Insured Plans:**

The total premiums paid for the Plan year ending December 31, 2007 were \$5,514,711. Because they are so-called experienced rated contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the Plan year ending December 31, 2007, the premiums paid under such experience-rated contracts during the Plan year were \$308,873.

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**GULF TELEPHONE  
COMPANY EMPLOYEE  
STOCK OWNERSHIP PLAN  
63-0090050**

**Plan Number 001**

For the period January 1,  
2007 through December 31,  
2007

**Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$5,800. These expenses included \$5,800 in administrative expenses. A total of 408 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$13,872,954 as of December 31, 2007, compared to \$281,023 as of January 1, 2007. During the plan year the plan experienced a decrease in its net assets of \$13,591,931. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$13,597,731 including earnings from investments of \$308,302 and other income of \$13,289,429.

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**Your Rights to Additional Information**

You have the right to receive a copy of the complete report, or any part thereof, on request. The items below are included in that report.

- An accountant's report;
- Financial information and information on payments to service providers;
- Assets held for investment;
- Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plans participates'
- Transactions in excess of 5% of the plan assets;
- Actuarial information regarding the funding of the Plan;
- Insurance information including sales commissions paid by the insurance carriers.

To obtain a copy of the complete annual report, or any part thereof, write or call the Plan Administrator, CenturyTel, Inc. 805 Broadway, PO Box 9901, Vancouver, WA 98668-8901, (360) 905-7345.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and the liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

**Your Legal Right**

You also have the legally protected right to examine the annual reports at the executive offices of the Plan at 100 Century Park Drive, Monroe, LA 71203 and at the United States Department of Labor upon payment of copying costs. Requests to the Department of Labor should be addressed to: Public Disclosure Room, N4677, Pension and Welfare Benefit Programs, Dept. of Labor, 200 Constitution Ave., NW, Washington D.C.