

Document 1548

[21548002]

The telecommunications company's results included a one-time gain of \$ 4 million , or two cents a share , from the sale of Contel Credit , a leasing and financial-services subsidiary .

[21548003]

Revenue rose 8.3 % to \$ 780 million from \$ 720 million .

[21548004]

Telephone-operations quarterly profit increased 9 % to \$ 84 million from \$ 77 million , while federal-systems earnings declined 33 % to \$ 4 million from \$ 6 million .

[21548005]

Information systems posted a loss of \$ 8 million , compared with a loss of \$ 9 million a year earlier .

[21548006]

Customer-access lines increased at an annualized rate of about 4 % and minutes of long-distance use rose about 12 % .

[21548007]

A 10 % gain in operating profit in the quarter was offset by a 21 % boost in interest expense , reflecting higher consolidated borrowings and interest rates .

[21548008]

In New York Stock Exchange composite trading , Contel closed at \$ 33.75 a share , down .50 cents .