

CENTURYTEL INC

FORM 10-Q (Quarterly Report)

Filed 8/7/1995 For Period Ending 6/30/1995

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
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CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the quarterly period ended June 30, 1995

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

Commission File Number: 1-7784

CENTURY TELEPHONE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)

72-0651161
(I.R.S. Employer
Identification No.)

100 Century Park Drive, Monroe, Louisiana 71203
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (318) 388-9500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

As of July 31, 1995, there were 58,373,038 shares of common stock outstanding.

CENTURY TELEPHONE ENTERPRISES, INC.

TABLE OF CONTENTS

Page No.

Part I. Financial Information:

Consolidated Statements of Income--Three Months and Six
Months Ended June 30, 1995 and 1994

Consolidated Balance Sheets--June 30, 1995 and
December 31, 1994

Consolidated Statements of Stockholders' Equity--
Six Months Ended June 30, 1995 and 1994

Consolidated Statements of Cash Flows--

Six Months Ended June 30, 1995 and 1994

Notes to Consolidated Financial Statements

Management's Discussion and Analysis of Financial
Condition and Results of Operations

Part II. Other Information

Submission of Matters To a Vote of Security Holders

Other Information

Exhibits and Reports on Form 8-K

Signature

Index to Exhibits

PART I. FINANCIAL INFORMATION

CENTURY TELEPHONE ENTERPRISES, INC. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

Three months ended June 30		Six months ended June 30	
1995	1994	1995	1994

(Dollars, except per share
amounts, and shares
expressed in thousands)

OPERATING REVENUES

Telephone	\$101,857	94,969	202,133	186,739
Mobile Communications	47,877	37,911	90,026	67,121
	-----	-----	-----	-----
Total operating revenues	149,734	132,880	292,159	253,860
	-----	-----	-----	-----
OPERATING EXPENSES				
Cost of sales and operating expenses	74,252	68,233	143,268	131,894
Depreciation and amortization	26,670	22,934	52,523	44,367
	-----	-----	-----	-----
Total operating expenses	100,922	91,167	195,791	176,261
	-----	-----	-----	-----
OPERATING INCOME	48,812	41,713	96,368	77,599
	-----	-----	-----	-----
OTHER INCOME (EXPENSE)				
Interest expense	(10,451)	(10,824)	(21,847)	(19,326)
Income from unconsolidated cellular entities	3,374	3,411	8,098	5,975
Gain on sales of assets	-	-	5,909	-
Minority interest	(1,895)	(857)	(3,841)	(1,555)
Other income and expense	2,127	795	2,975	1,684
	-----	-----	-----	-----
Total other income (expense)	(6,845)	(7,475)	(8,706)	(13,222)
	-----	-----	-----	-----
INCOME BEFORE INCOME TAX EXPENSE	41,967	34,238	87,662	64,377
	-----	-----	-----	-----
Income tax expense	15,800	12,753	34,495	23,691
	-----	-----	-----	-----
NET INCOME	\$ 26,167	21,485	53,167	40,686
	=====	=====	=====	=====
PRIMARY EARNINGS PER SHARE	\$.45	.40	.93	.76
	=====	=====	=====	=====
FULLY DILUTED EARNINGS PER SHARE	\$.45	.39	.92	.74
	=====	=====	=====	=====

DIVIDENDS PER COMMON SHARE	\$.0825	.0800	.1650	.1600
	=====	=====	=====	=====
AVERAGE PRIMARY SHARES OUTSTANDING	58,453	53,546	57,318	53,157
	=====	=====	=====	=====
AVERAGE FULLY DILUTED SHARES OUTSTANDING	58,659	58,288	58,659	57,859
	=====	=====	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 1995	December 31, 1994
	-----	-----
	(Dollars in thousands)	
ASSETS		

CURRENT ASSETS		
Cash and cash equivalents	\$ 6,150	7,154
Accounts receivable		
Customers, less allowance for doubtful		
accounts of \$2,371 and \$2,360	43,502	40,824
Other	22,264	23,180
Materials and supplies, at average cost	5,972	7,090
Other	3,523	2,980
	-----	-----
	81,411	81,228
	-----	-----
NET PROPERTY, PLANT AND EQUIPMENT	1,004,249	947,131
	-----	-----
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired,		
less accumulated amortization of		
\$46,857 and \$40,756	444,283	441,436
Other	188,742	173,458
	-----	-----
	633,025	614,894
	-----	-----
	\$1,718,685	1,643,253
	=====	=====
LIABILITIES AND EQUITY		

CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 43,293	12,718
Notes payable to banks	159,500	158,000
Accounts payable	58,300	52,331
Accrued expenses and other liabilities		
Salaries and benefits	17,768	17,884
Taxes	15,671	16,530
Interest	5,167	8,243
Other	4,102	9,237
Advance billings and customer deposits	12,430	11,725
	-----	-----
	316,231	286,668
	-----	-----
LONG-TERM DEBT	393,994	518,603
	-----	-----
DEFERRED CREDITS AND OTHER LIABILITIES	195,922	187,746
	-----	-----
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized		
175,000,000 shares, issued and outstanding		
58,368,072 and 53,574,361 shares	58,368	53,574
Paid-in capital	431,749	319,235
Retained earnings	335,553	291,999
Unearned ESOP shares	(15,400)	(16,840)
Preferred stock - non-redeemable	2,268	2,268
	-----	-----
	812,538	650,236
	-----	-----
	\$1,718,685	1,643,253
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UnAUDITED)

	Six months ended June 30	
	1995	1994
	(Dollars in thousands)	
COMMON STOCK		
Balance at beginning of period	\$ 53,574	51,295
Issuance of common stock for acquisitions	-	2,000
Issuance of common stock through conversion of debentures	4,540	-
Issuance of common stock through dividend reinvestment, incentive and benefit plans	254	89
Conversion of preferred stock into common stock	-	1
	-----	-----
Balance at end of period	58,368	53,385
	-----	-----
PAID-IN CAPITAL		
Balance at beginning of period	319,235	262,294
Issuance of common stock for acquisitions	-	50,311
Issuance of common stock through conversion of debentures	108,596	-
Issuance of common stock through dividend reinvestment, incentive and benefit plans	3,479	1,593
Amortization of unearned compensation and other	439	384
Conversion of preferred stock into common stock	-	26
	-----	-----
Balance at end of period	431,749	314,608
	-----	-----
RETAINED EARNINGS		
Balance at beginning of period	291,999	208,945
Net income	53,167	40,686
Cash dividends declared		
Common stock-\$.1650 and \$.1600 per share, respectively	(9,552)	(8,527)
Preferred stock	(61)	(39)
	-----	-----
Balance at end of period	335,553	241,065
	-----	-----
UNEARNED ESOP SHARES		
Balance at beginning of period	(16,840)	(9,220)
Commitment to ESOP	-	(10,000)
Release of ESOP shares	1,440	940
	-----	-----
Balance at end of period	(15,400)	(18,280)
	-----	-----
PREFERRED STOCK - NON-REDEEMABLE		
Balance at beginning of period	2,268	454
Issuance of preferred stock for acquisition	-	1,875
Conversion of preferred stock into common stock	-	(27)
	-----	-----
Balance at end of period	2,268	2,302
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	\$812,538	593,080
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UnAUDITED)

	Six months ended June 30	
	1995	1994
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	\$ 53,167	40,686
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	56,907	48,883
Deferred income taxes	2,055	(3,059)

Income from unconsolidated cellular entities	(8,098)	(5,975)
Gain on sales of assets	(5,909)	-
Changes in current assets and current liabilities:		
(Increase) decrease in accounts receivable	(2,905)	2,658
Increase (decrease) in accounts payable	5,837	(10,157)
Increase (decrease) in other accrued taxes	(952)	7,391
Changes in other current assets and other current liabilities, net	(6,393)	5,251
Increase in other noncurrent liabilities	6,099	4,533
Other, net	1,275	277
	-----	-----
Net cash provided by operating activities	101,083	90,488
	-----	-----
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(98,438)	(90,426)
Acquisitions, net of cash acquired	(6,009)	(54,847)
Proceeds from sales of assets	17,922	-
Investments in unconsolidated cellular entities	(7,044)	(1,227)
Distributions from unconsolidated cellular entities	1,386	1,836
Purchase of life insurance investment	(6,409)	(7,094)
Note receivable	-	(25,000)
Other, net	(156)	855
	-----	-----
Net cash used in investing activities	(98,748)	(175,903)
	-----	-----
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	6,498	147,547
Payments of long-term debt	(5,310)	(46,551)
Notes payable, net	1,500	6,000
Proceeds from issuance of common stock	3,496	1,682
Cash dividends	(9,613)	(8,566)
Other, net	90	180
	-----	-----
Net cash provided by (used in) financing activities	(3,339)	100,292
	-----	-----
Net increase (decrease) in cash and cash equivalents	(1,004)	14,877
Cash and cash equivalents at beginning of period	7,154	9,777
	-----	-----
Cash and cash equivalents at end of period	\$ 6,150	24,654
	=====	=====
Supplemental cash flow information:		
Income taxes paid	\$ 34,672	17,257
	=====	=====
Interest paid	\$ 24,923	17,604
	=====	=====

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1995
(UNAUDITED)

(1) Basis of Financial Reporting

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission; however, the Company believes the disclosures which are made are adequate to make the information presented not misleading. The financial statements and footnotes included in this Form 10-Q should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1994. Certain 1994 amounts have been reclassified to be consistent with the 1995 presentation.

The unaudited financial information for the three months and six months ended June 30, 1995 and 1994 has not been audited by independent public accountants; however, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the three-month and six-month periods have been included therein. The results of operations for the

first six months of the year are not necessarily indicative of the results of operations which might be expected for the entire year.

(2) Net Property, Plant and Equipment

Net property, plant and equipment is composed of the following:

	June 30, 1995	December 31, 1994
	-----	-----
	(Dollars in thousands)	
Telephone, at original cost	\$1,147,202	1,076,496
Accumulated depreciation	(330,076)	(295,255)
	-----	-----
	817,126	781,241
Mobile Communications, at cost	172,676	152,305
Accumulated depreciation	(45,233)	(38,552)
	-----	-----
	127,443	113,753
Other, at cost	96,368	85,406
Accumulated depreciation	(36,688)	(33,269)
	-----	-----
	59,680	52,137
	-----	-----
	\$1,004,249	947,131
	=====	=====

(3) Conversion of Debentures

In February 1995 all \$115.0 million of Century's outstanding 6% convertible debentures due 2007 were converted into Century common stock by the debenture holders at a conversion price of \$25.33 per share.

(4) Earnings from Unconsolidated Cellular Entities

The following summarizes the unaudited combined results of operations of the cellular entities in which the Company's investments (as of June 30, 1995 and 1994) were accounted for by the equity method.

	Six months ended June 30	
	-----	-----
	1995	1994
	-----	-----
	(Dollars in thousands)	
Results of operations		
Revenues	\$336,812	150,606
Operating income	\$111,677	38,996
Net income	\$112,833	37,704

(5) Sales of Assets

In the first quarter of 1995 the Company sold, for an aggregate of approximately \$17.9 million cash, its ownership interests in certain non-strategic cellular RSAs located primarily in western states and two MSAs in the midwest, which represented an aggregate of approximately 253,000 pops. These transactions resulted in a pre-tax gain of \$5.9 million (\$2.0 million after tax).

CENTURY TELEPHONE ENTERPRISES, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included herein should be read in conjunction with MD&A and the other information included in the Company's annual report on Form 10-K for the year ended December 31, 1994. The results of operations for the three months and/or six months ended June 30, 1995 are not necessarily indicative of the results of operations which might be expected for the entire year.

RESULTS OF OPERATIONS

Three Months Ended June 30, 1995 Compared
to Three Months Ended June 30, 1994

Net income for the second quarter of 1995 was \$26.2 million compared to \$21.5 million during the second quarter of 1994, a 21.8% increase. The increase was principally due to a \$7.1 million increase in operating income which was partially offset by, among other things, a \$3.0 million increase in income tax expense. Fully diluted earnings per share increased to \$.45 for the three months ended June 30, 1995 from \$.39 during the three months ended June 30, 1994, a 15.4% increase.

	Three months ended June 30	
	1995	1994
	(Dollars in thousands, except per share amounts)	
Operating income		
Telephone	\$35,025	33,896
Mobile Communications	13,787	7,817
	48,812	41,713
Interest expense	(10,451)	(10,824)
Income from unconsolidated cellular entities	3,374	3,411
Minority interest	(1,895)	(857)
Other income and expense	2,127	795
Income tax expense	(15,800)	(12,753)
Net income	\$26,167	21,485
Fully diluted earnings per share	\$.45	.39

Contributions to operating revenues and operating income by the Company's telephone operations and mobile communications operations for the three months ended June 30, 1995 and 1994 were as follows:

	Three months ended June 30	
	1995	1994
Operating revenues		
Telephone operations	68.0%	71.5
Mobile Communications operations	32.0%	28.5
Operating income		
Telephone operations	71.8%	81.3
Mobile Communications operations	28.2%	18.7
Telephone Operations		
	Three months ended June 30	
	1995	1994
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 27,638	23,967
Network access and long distance	62,571	60,018
Other	11,648	10,984
	101,857	94,969
Operating expenses		
Plant operations	21,039	20,377
Customer operations	9,940	8,356
Corporate and other	15,245	14,584
Depreciation and amortization	20,608	17,756
	66,832	61,073
Operating income	\$ 35,025	33,896

Telephone operating income increased \$1.1 million (3.3%) due to an increase in operating revenues of \$6.9 million (7.3%) which more than

offset an increase in operating expenses of \$5.8 million (9.4%).

The increase in revenues was primarily due to a \$1.3 million increase in amounts received from the Federal Communications Commission mandated Universal Service Fund; a \$1.9 million contribution to revenues from a local exchange telephone company acquired during the first quarter of 1995; \$1.6 million from increased rates for basic services which was partially offset by an \$839,000 decrease in intrastate high cost assistance revenues; a \$1.1 million increase in revenues as a result of an increase in the number of customer access lines; and a \$919,000 increase in the partial recovery of increased operating expenses through revenue pools in which the Company participates with other telephone companies.

During the second quarter of 1995, operating expenses, exclusive of depreciation and amortization, were \$2.9 million (6.7%) higher than during the second quarter of 1994. Approximately \$1.1 million of the increase was attributable to a one-time reduction in expenses recorded in the second quarter of 1994 due to a reduction (as a result of the death of a former executive officer) in the Company's liability for long-term disability. Of the remaining \$1.8 million, approximately \$1.1 million was due to added expenses resulting from the acquisition of a local exchange telephone company and approximately \$700,000 was due to increases in other general operating expenses.

Depreciation and amortization increased \$2.9 million (16.1%) which included \$1.2 million of depreciation due to higher recurring rates approved in 1994 or anticipated to be approved in 1995 for certain subsidiaries. The remaining increase in depreciation and amortization was primarily due to higher levels of plant in service.

Mobile Communications Operations

	Three months ended June 30	
	1995	1994
	(Dollars in thousands)	
Operating revenues		
Cellular service	\$46,422	34,954
Equipment and other	1,455	2,957
	47,877	37,911
Operating expenses		
Cost of sales and other operating expenses	9,580	8,119
General, administrative and customer service	9,068	8,503
Sales and marketing	9,380	8,294
Depreciation and amortization	6,062	5,178
	34,090	30,094
Operating income	\$13,787	7,817
	=====	=====

Mobile communications operating income reflects the operations of the cellular entities in which the Company owns a majority interest. The minority interest owners' share of the income or loss of such entities (\$1.9 million during the second quarter of 1995 and \$857,000 during the second quarter of 1994) is reflected as an expense in "Minority interest" on the Company's consolidated statements of income. The Company's share of income or loss from the cellular entities in which it owns less than a majority interest (\$3.4 million during both the three months ended June 30, 1995 and 1994) is reflected in "Income from unconsolidated cellular entities" on the Company's consolidated statements of income.

Mobile communications operating income increased \$6.0 million (76.4%) to \$13.8 million in the second quarter of 1995 from \$7.8 million in the second quarter of 1994. Mobile communications operating revenues increased \$10.0 million (26.3%) which more than offset an increase in operating expenses of \$4.0 million (13.3%).

The increase in cellular service revenues was substantially due to an increase in the number of cellular units in service. The average number of cellular units in service in majority-owned markets during the second quarter of 1995 and 1994 was 232,300 and 169,000, respectively.

The average monthly cellular service revenue per customer declined to \$67 during the second quarter of 1995 from \$69 during the second quarter of 1994. It has been an industry-wide trend that early subscribers have normally been the heaviest users and that a higher percent of new subscribers tend to be lower usage customers. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated and (ii) as competitive pressures intensify and continue to place downward pressure on rates. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, all of which may result in lower average revenue per customer. The Company will continue to focus on customer service and attempt to stimulate cellular usage by promoting the availability of certain enhanced services and by improving the quality of its service through the construction of additional cell sites and enhancements to its system.

Equipment and other revenues decreased to \$1.5 million during the second quarter of 1995 from \$3.0 million during the second quarter of 1994, substantially because the second quarter of 1994 included \$930,000 of revenues applicable to the Company's paging operations which

were sold in October 1994. Revenues from the sale of cellular phones decreased \$572,000 in the second quarter of 1995 compared to the second quarter of 1994. Although the Company sold more phones in the second quarter of 1995 than in the second quarter of 1994, revenues decreased because of certain promotions which were based on equipment discounting.

Cost of sales and other operating expenses during the second quarter of 1995 increased \$1.5 million substantially due to an \$890,000 increase in cost of sales caused by an increase in the number of units sold. The remaining increase was primarily due to costs incurred in connection with providing service to a larger number of customers.

General, administrative and customer service expenses increased \$565,000 primarily due to costs associated with serving a larger number of customers.

Sales and marketing costs increased \$1.1 million partially due to a \$430,000 increase in the costs of sales promotions. The remaining increase was primarily due to an increase in commissions paid to agents and employees for selling cellular service to new customers.

Depreciation and amortization increased \$884,000 (17.1%) due primarily to a higher level of plant in service.

Interest Expense

Interest expense decreased \$373,000 (3.4%) during the second quarter of 1995 compared to the second quarter of 1994. Average debt outstanding decreased primarily due to the conversion of \$115.0 million of 6% convertible debentures into common stock in February 1995. The resulting decrease in interest expense was substantially offset by an increase in interest expense caused by higher average interest rates.

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, was \$3.4 million in both the second quarter of 1995 and the second quarter of 1994. In the second quarter of 1995, the Company recorded a \$1.0 million reduction in earnings from unconsolidated cellular entities as a result of a multi-year retroactive adjustment recorded by the operator of a cellular partnership in which the Company owns less than a majority interest. This unfavorable adjustment was offset by improved profitability, exclusive of the above mentioned adjustment, in the cellular entities in which the Company owns less than a majority interest.

Minority Interest

The increased profitability during the second quarter of 1995 of the Company's majority-owned and operated cellular entities resulted in a corresponding increase of \$1.0 million in the expense recorded by the Company to reflect the minority interest owners' share of the profits.

Other Income and Expense

Other income and expense for the second quarter of 1995 was \$2.1 million compared to \$795,000 during the second quarter of 1994. The results of operations of subsidiaries of the Company which are not included in the telephone or mobile communications operations increased \$956,000 in the second quarter of 1995 compared to the second quarter of 1994 primarily as a result of a \$600,000 non-recurring charge against earnings during the second quarter of 1994. Interest income increased \$373,000 in the second quarter of 1995, substantially all of which was due to interest on a \$25.0 million note receivable issued to Century in May 1994.

Income Tax Expense

Income tax expense increased \$3.0 million (23.9%) during the second quarter of 1995 compared to the second quarter of 1994 primarily due to the increase in income before taxes.

Six Months Ended June 30, 1995 Compared to Six Months Ended June 30, 1994

Net income for the first six months of 1995 increased \$12.5 million (30.7%) to \$53.2 million from \$40.7 million during the first six months of 1994. The increase was principally due to an \$18.8 million increase in operating income (of which \$14.2 million was applicable to the Company's mobile communications operations) and a \$5.9 million pre-tax gain on the sale of certain non-strategic cellular entities, which were partially offset by, among other things, an increase in income tax expense of \$10.8 million. Fully diluted earnings per share increased to \$.92 for the six months ended June 30, 1995 from \$.74 during the six months ended June 30, 1994, a 24.3% increase.

	Six months ended June 30	
	-----	-----
	1995	1994
	-----	-----
	(Dollars in thousands, except per share amounts)	
Operating income		

Telephone	\$69,370	64,786
Mobile Communications	26,998	12,813
	-----	-----
	96,368	77,599
Interest expense	(21,847)	(19,326)
Income from unconsolidated cellular entities	8,098	5,975
Gain on sales of assets	5,909	-
Minority interest	(3,841)	(1,555)
Other income and expense	2,975	1,684
Income tax expense	(34,495)	(23,691)
	-----	-----
Net income	\$53,167	40,686
	=====	=====
Fully diluted earnings per share	\$.92	.74
	=====	=====

Contributions to operating revenues and operating income by the Company's telephone operations and mobile communications operations for the six months ended June 30, 1995 and 1994 were as follows:

	Six months ended June 30	
	-----	-----
	1995	1994
	-----	-----
Operating revenues		
Telephone operations	69.2%	73.6
Mobile Communications operations	30.8%	26.4
Operating income		
Telephone operations	72.0%	83.5
Mobile Communications operations	28.0%	16.5
Telephone Operations		
	Six months ended June 30	
	-----	-----
	1995	1994
	-----	-----
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 54,478	47,472
Network access and long distance	124,156	117,925
Other	23,499	21,342
	-----	-----
	202,133	186,739
	-----	-----
Operating expenses		
Plant operations	42,674	41,590
Customer operations	19,090	16,864
Corporate and other	30,120	28,688
Depreciation and amortization	40,879	34,811
	-----	-----
	132,763	121,953
	-----	-----
Operating income	\$ 69,370	64,786
	=====	=====

Telephone operating income increased \$4.6 million (7.1%) due to an increase in operating revenues of \$15.4 million (8.2%) which more than offset an increase in operating expenses of \$10.8 million (8.9%).

The increase in revenues was primarily due to a \$3.5 million increase in amounts received from the Federal Communications Commission mandated Universal Service Fund; a \$4.1 million contribution to revenues from two local exchange telephone companies acquired in 1994 and 1995; \$3.2 million from increased rates for basic services which was partially offset by a \$1.6 million decrease in intrastate high cost assistance revenues; a \$1.9 million increase in revenues as a result of an increase in the number of customer access lines; and a \$1.1 million increase in the partial recovery of increased operating expenses through revenue pools in which the Company participates with other telephone companies.

During the first six months of 1995, operating expenses, exclusive of depreciation and amortization, increased \$4.7 million (5.4%) partially due to \$2.2 million of expenses incurred as a result of the acquisition of two local exchange telephone companies. Operating expenses were \$1.1 million higher during the first six months of 1995 as a result of a \$1.1 million reduction in expenses recorded in the second quarter of 1994 due to a reduction in the Company's liability for long-term disability. The remaining increase was primarily due to an increase in other general operating expenses.

Depreciation and amortization increased \$6.1 million (17.4%) which included \$2.8 million of depreciation due to higher recurring rates approved in 1994 or anticipated to be approved in 1995 for certain subsidiaries. The remaining increase in depreciation and amortization was primarily due to higher levels of plant in service.

Mobile Communications Operations

	Six months ended June 30	
	1995	1994
	(Dollars in thousands)	
Operating revenues		
Cellular service	\$87,243	62,029
Equipment and other	2,783	5,092
	90,026	67,121
Operating expenses		
Cost of sales and other operating expenses	17,112	14,497
General, administrative and customer service	17,848	15,683
Sales and marketing	16,424	14,572
Depreciation and amortization	11,644	9,556
	63,028	54,308
Operating income	\$26,998	12,813
	=====	=====

The mobile communications operating income reflects the operations of the cellular entities in which the Company owns a majority interest and includes the operations of Celutel, Inc. ("Celutel") subsequent to its acquisition in February 1994. The minority interest owners' share of the income or loss of such entities (\$3.8 million during the first six months of 1995 and \$1.6 million during the first six months of 1994) is reflected as an expense in "Minority interest" on the Company's consolidated statements of income. The Company's share of income or loss from the cellular entities in which it owns less than a majority interest (\$8.1 million and \$6.0 million during the six months ended June 30, 1995 and 1994, respectively) is reflected in "Income from unconsolidated cellular entities" on the Company's consolidated statements of income.

Mobile communications operating income increased \$14.2 million (110.7%) to \$27.0 million in the first six months of 1995 from \$12.8 million in the first six months of 1994. Mobile communications operating revenues increased \$22.9 million (34.1%) which more than offset an increase in operating expenses of \$8.7 million (16.1%).

The increase in cellular service revenues was substantially due to (i) an increase in the number of cellular units in service and (ii) a \$5.8 million increase in revenues generated by Celutel. Celutel was acquired on February 10, 1994; accordingly, the six months ended June 30, 1995 included six months of revenues applicable to Celutel while the six months ended June 30, 1994 included only revenues recorded subsequent to the acquisition date. The average number of cellular units in service in majority-owned markets during the first six months of 1995 and 1994 was 224,500 and 152,800, respectively.

The average monthly cellular service revenue per customer declined to \$65 during the first six months of 1995 from \$68 during the first six months of 1994. It has been an industry-wide trend that early subscribers have normally been the heaviest users and that a higher percent of new subscribers tend to be lower usage customers. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated and (ii) as competitive pressures intensify and continue to place downward pressure on rates. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, all of which may result in lower average revenue per customer. The Company will continue to focus on customer service and attempt to stimulate cellular usage by promoting the availability of certain enhanced services and by improving the quality of its service through the construction of additional cell sites and enhancements to its system.

Equipment and other revenues decreased \$2.3 million to \$2.8 million during the six months ended June 30, 1995 compared to \$5.1 million during the six months ended June 30, 1994. The six months ended June 30, 1994 included \$1.9 million of revenues applicable to the Company's paging operations which were sold in October 1994. Revenues from the sale of cellular phones decreased \$431,000 during the first six months of 1995 compared to the first six months of 1994. Although the Company sold more phones in the first six months of 1995 than in the first six months of 1994, revenues decreased because of certain promotions which were based on equipment discounting.

Cost of sales and other operating expenses during the first six months of 1995 increased \$2.6 million substantially as a result of a \$1.4 million increase in cost of sales caused by an increase in the number of units sold. The remaining increase was primarily due to costs incurred in connection with providing service to a larger number of customers.

General, administrative and customer service expenses increased \$2.2 million primarily due to the costs associated with serving a larger number of customers.

Sales and marketing expenses increased \$1.9 million primarily due to a \$1.1 million increase in commissions paid to agents and employees for selling cellular service to new customers. The remainder of the increase was primarily due to costs of sales promotions.

Depreciation and amortization increased \$2.1 million (21.9%) due primarily to a higher level of plant in service.

Interest Expense

Interest expense increased \$2.5 million (13.0%) during the first six months of 1995 compared to the first six months of 1994 primarily due to the effect of higher average interest rates which increased interest expense \$3.6 million. Such increase was partially offset by a decrease in interest expense due to a decrease in average debt outstanding. The decrease in average debt outstanding was partially due to the conversion of \$115.0 million of 6% convertible debentures into common stock in February 1995.

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$2.1 million (35.5%) during the first six months of 1995 compared to the first six months of 1994 due to improvement in profitability of the cellular entities in which the Company owns less than a majority interest. During the first six months of 1995, the Company recorded an \$800,000 reduction in earnings from unconsolidated cellular entities as a result of a multi-year retroactive adjustment recorded by the operator of a cellular partnership in which the Company owns less than a majority interest.

Gain on Sales of Assets

During the first quarter of 1995, the Company sold its ownership interests in certain non-strategic cellular entities which resulted in a pre-tax gain of \$5.9 million (\$2.0 million after-tax; \$.03 per fully diluted share). For additional information, see Note 5 of Notes to Consolidated Financial Statements.

Minority Interest

The increased profitability during the first six months of 1995 of the Company's majority-owned and operated cellular entities resulted in a corresponding increase of \$2.3 million in the expense recorded by the Company to reflect the minority interest owners' share of the profits.

Other Income and Expense

Other income and expense for the first six months of 1995 was \$3.0 million compared to \$1.7 million during the first six months of 1994. Interest income increased \$995,000 in the first six months of 1995, substantially all of which was due to interest income on a \$25.0 million note receivable issued to Century in May 1994. For additional information on other income and expense, see Three Months Ended June 30, 1995 Compared to Three Months Ended June 30, 1994 - Other Income and Expense.

Income Tax Expense

Income tax expense increased \$10.8 million (45.6%) during the first six months of 1995 compared to the first six months of 1994 primarily due to the increase in income before taxes. The effective income tax rate for the first six months of 1995 increased primarily because of the income tax expense attributable to the gain on sales of assets during the first quarter of 1995.

LIQUIDITY AND CAPITAL RESOURCES

Excluding cash used for acquisitions, the Company relies on cash provided by operations to provide a substantial portion of its cash needs. The Company's telephone operations have historically provided a stable source of cash flow which has helped the Company continue its long-term program of capital improvements. Cash provided by mobile communications operations has increased each year since that segment became cash-flow positive in 1991.

Net cash provided by operating activities was \$101.1 million during the first six months of 1995 compared to \$90.5 million during the first six months of 1994. The Company's accompanying consolidated statements of cash flows identify major differences between net income and net cash provided by operating activities for each of these periods. For additional information relating to the telephone operations and mobile communications operations of the Company, see Results of Operations.

Net cash used in investing activities was \$98.7 million and \$175.9 million for the six months ended June 30, 1995 and 1994, respectively. Cash used in connection with the Celutel acquisition during the first six months of 1994 was \$54.8 million. Payments for property, plant and equipment were \$8.0 million more in the first six months of 1995 than in the comparable period during 1994. Capital expenditures for the six months ended June 30, 1995 were \$61.2 million for telephone operations, \$26.4 million for mobile communications operations and \$11.6 million for other operations. The \$98.7 million of net cash used in investing activities in 1995 was net of \$17.9 million of proceeds from the sale of certain cellular entities. In connection with the corporate restructuring of a local exchange telephone company that has been viewed from time to time as an acquisition candidate, Century loaned the telephone company's then-newly-formed parent company \$25.0 million in

May 1994.

Net cash used in financing activities was \$3.3 million during the first six months of 1995; net cash provided by financing activities was \$100.3 million during the first six months of 1994. Net borrowings, including notes payable and long-term debt, were \$2.7 million during the first six months of 1995 compared to net borrowings of \$107.0 million during the first six months of 1994. During the first six months of 1994, the Company filed a shelf registration statement registering \$400.0 million of senior unsecured debt securities under which the Company issued \$150.0 million of senior notes on May 6, 1994. The proceeds were used to discharge the Company's indebtedness under a \$90.0 million bridge loan incurred to fund substantially all of the Company's cash requirements in connection with the acquisition of Celutel in February 1994, and to reduce the Company's short-term bank indebtedness under various credit facilities.

Revised budgeted capital expenditures for 1995 total \$120.0 million for telephone operations, \$63.0 million for mobile communications operations and \$15.0 million for other operations.

As of June 30, 1995, Century's telephone subsidiaries had available for use \$160.8 million of commitments for long-term financing from the Rural Utilities Service ("RUS") and the Company had \$72.1 million of undrawn committed bank lines of credit. In addition, approximately \$19.5 million of uncommitted credit facilities were available to Century at June 30, 1995. The Company also has access to debt and equity capital markets. Applications for additional long-term financing for Century's telephone subsidiaries have been filed with the RUS and are in various stages of processing. The Company has experienced no significant problems in obtaining funds through the issuance of debt or equity for capital expenditures or other purposes.

ACCOUNTING PRONOUNCEMENT

In March 1995 the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets To Be Disposed Of" ("SFAS 121"), effective for fiscal years beginning after December 15, 1995. SFAS 121 establishes guidance for recognizing and measuring impairment losses and requires that the carrying amount of an impaired asset be reduced to fair value when events or circumstances indicate that the carrying value may not be recoverable. Recoverability would generally be determined by estimating future cash flows resulting from use and eventual disposition of the asset. The effect on the Company's financial statements of the adoption of SFAS 121 has not yet been determined.

OTHER

During the second quarter of 1995, the Louisiana Public Service Commission ("LPSC") culminated its two-year investigation into the earnings of independent telephone companies in Louisiana by adopting a new regulatory plan for such companies effective July 1, 1995. The plan provides that independent telephone companies in Louisiana will be regulated on an incentive-type rate of return basis in a manner yet to be determined.

Under this plan, the Company will be required to reduce its intrastate switched access rates over a two-year period beginning July 1, 1995 to match the rates currently in effect for South Central Bell. The Company anticipates that this directive will reduce its access revenues by approximately \$500,000 in 1995 and up to \$4.2 million annually upon completion of the two year phase-in.

The plan also establishes a target rate of return of between 10.75% and 12.75% after giving effect to the access rate reductions described above. Beginning July 1, 1996, companies earning in excess of 12.75% will be required to lower their prospective rate of return to 12.25%, either by further reducing access rates (subject to certain limits) or taking such other actions as may be directed by the LPSC. Although the impact of this directive on the Company cannot be readily determined until the LPSC provides additional guidance on the operation and methodology of the plan, the Company anticipates that the impact of these changes will adversely affect its results of operations and there is no assurance that the effect will not be material. The Company anticipates that certain of its Louisiana telephone subsidiaries may take action to reduce earnings levels as a result of this plan.

The United States Senate and the House of Representatives have each recently passed separate telecommunications bills that propose to substantially alter the regulatory framework of the telecommunications industry by, among other things, promoting deregulation and local exchange competition. The bills will not become law until their conflicting terms can be reconciled and consolidated into a single bill by a conference committee composed of members of the House and Senate, which must be approved by both chambers and signed or otherwise allowed to take effect by President Clinton. Assuming these measures become law in substantially their current form, the Company does not believe the resulting competition is likely to materially affect it in the near term, although there can be no assurance to this effect or to the effect that these bills will not be substantially altered by the conference committee.

In July 1995 the Federal Communications Commission ("FCC") issued a Notice of Proposed Rulemaking and Notice of Inquiry, in which it is seeking comments on the proposals and policy changes relating to certain federal high cost assistance mechanisms, including the Universal Service Fund. The FCC's stated goals are to ensure that universal service can be maintained, but still hold the total level of assistance to a reasonable level and, where possible, reduce barriers to competitive entry and to promote efficient investment in and operation of local service networks. Although the Company anticipates that these initiatives may result in a reduction of its federal support revenues, management believes it is premature to assess or estimate the ultimate impact thereof.

PART II. OTHER INFORMATION

CENTURY TELEPHONE ENTERPRISES, INC.

Item 4. Submission of Matters to a Vote of Security Holders

At the Company's annual meeting of shareholders held on May 11, 1995, the shareholders elected five Class I directors and approved each of the proposals set forth in the Company's proxy statement dated March 24, 1995.

The following number of votes were cast for or were withheld from the following nominees:

Class I Nominees	For	Withheld
William R. Boles, Jr.	117,779,152	2,696,924
W. Bruce Hanks	118,909,569	1,566,507
C. G. Melville, Jr.	118,790,197	1,685,879
Glen F. Post, III	118,869,610	1,606,466
Clarke M. Williams	119,343,843	1,132,233

The following number of votes were cast in the manner indicated below with respect to the following proposals.

	For	Against	Abstain	Broker Non-Votes
Proposal to amend the Company's articles of incorporation to:				
(1) increase the number of authorized shares of common stock to 175 million shares;	110,843,212	8,502,201	1,130,663	-
(2) clarify and expand the protections currently afforded under the Company's "fair price" article by:				
(A) clarifying the definition of Related Person; and	107,118,232	7,456,329	1,478,281	4,423,234
(B) clarifying the definition of Business Combinations; and	110,159,192	4,421,773	1,471,877	4,423,234
(3) clarify, simplify and				

update the articles by:

(A) adding a new article
regarding directors'
qualifications; 116,779,360 2,611,072 1,085,644 -

(B) clarifying the
Board's authority to
limit management's
liability; 113,649,701 5,393,768 1,432,607 -

(C) deleting a provision

mandating the use of stock certificates;	108,227,037	5,804,946	2,020,859	4,423,234
(D) adding a clarifying definition of total voting power; and	112,869,159	1,581,276	1,602,407	4,423,234

(E)	adding a clarifying definition of capital stock.	111,822,774	2,793,981	1,436,087	4,423,234
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Proposal to approve the
Company's 1995 Incentive
Compensation Plan 103,198,683 14,542,436 2,734,957 -

Item 5. Other Information

On May 23, 1995, the Board of Directors amended the Company's bylaws to conform them to the amendments to the Company's articles of incorporation described in Item 4 above and to effect various other changes. Among these changes was the addition of a bylaw requiring shareholders of record who wish to nominate directors or submit other matters for consideration at shareholders' meetings to provide timely advance written notice to the Company (the "Advance Notice Bylaw"). Subject to certain exceptions, to be timely the notice must be received by the Company not less than 70 days nor more than 210 days prior to the anniversary date of the previous year's annual meeting.

The notice to the Company from a shareholder intending to nominate a person for election as a director or to propose other matters at a shareholders' meeting must contain certain information, including the name, age and address of the shareholder proposing such action and any persons acting in concert with such shareholder and a representation by such shareholder that such shareholder is a holder of record of the Company's capital stock and intends to appear at the meeting in person to make the nomination or propose the specified matter. In the case of nominations for directors, the notice must also include (i) the name, age, address and principal occupation of each nominee, (ii) a description of all arrangements between the nominating shareholder and each nominee, (iii) other information required to be included in a proxy statement pursuant to the proxy rules of the Securities and Exchange Commission, and (iv) the consent of each nominee to serve as director of the Company if elected and an affidavit that such nominee meets all applicable qualifications to serve as a director. In the case of other proposed business, the shareholder's notice must set forth a description of the business, the reasons for conducting such business at the meeting and any material interest of the shareholder therein. The chairman of the meeting will have the power to disregard any nomination or other matter that fails to comply with these procedures.

With respect to proposals by shareholders to propose matters other than the nomination of directors, the Advance Notice Bylaw permits the Company to disregard proposals that (i) are substantially duplicative of a prior- received proposal to be voted upon at the upcoming meeting, (ii) deal with substantially the same subject matter as a prior proposal that was voted upon within the preceding five years and which failed to receive affirmative votes in excess of certain specified levels, or (iii) in the judgment of the Board of Directors are not proper subjects for action by shareholders under Louisiana law.

Nothing in the Advance Notice Bylaw will affect the rights of shareholders under the proxy rules of the Securities and Exchange Commission to request that their proposals be included in the Company's proxy statement or to solicit their own proxies. Shareholders who desire to pursue these rights at future shareholders' meetings will be required to comply with both the Advance Notice Bylaw and the federal proxy rules.

Under the terms of the Advance Notice Bylaw, shareholders of record who wish to nominate directors or submit other matters for consideration at the Company's 1996 annual meeting of shareholders must submit their notice to Harvey P. Perry, Secretary of the Company. To be timely, this notice must be received by the Company between October 13, 1995 and March 4, 1996 (assuming, as expected, that the 1996 annual meeting of shareholders will be held not more than 30 days earlier or later than May 11, 1996). In order to be considered for inclusion in the Company's 1996 proxy materials relating to this meeting pursuant to the federal proxy rules, shareholder proposals must be received by the Company on or before November 25, 1995.

At its May 23, 1995 meeting, the Board of Directors also adopted a bylaw to opt-out of the Louisiana Control Share Statute. This statute, which was enacted in 1987, generally disenfranchises any person who acquires or proposes to acquire more than 20% of Century's voting power unless Century's shareholders re-enfranchise his shares at a shareholder meeting called for this purpose. Given the protections against unfavorable takeovers afforded under the Company's rights agreement, articles of incorporation and bylaws, the Board of Directors believes the potential protections of the Louisiana Control Share Statute are no longer necessary. Moreover, unlike the Company's rights agreement and other similar provisions, which are intended to encourage any person desiring to acquire a controlling interest in the Company to do so through a transaction negotiated with the Board, the Louisiana Control Share Statute may give such person a right to convene promptly a shareholder meeting. The convening of such a meeting may frustrate the ability of the Board to control the timing and scope of the proposed transaction, which may reduce the Board's ability, among other things, to represent the interests of all the Company's shareholders, to consider the impact of the proposed transaction on the Company's long-term plans and to negotiate the best possible terms for the shareholders. For these reasons, the Board of Directors determined that it is in the best interests of the Company and its shareholders to opt-out of the Louisiana Control Share Statute. Although not currently anticipated, the Board could, if warranted by a change in circumstances, opt back into the statute by rescinding its May 23 bylaw, subject to any required regulatory approvals.

The full text of the Company's bylaws, as amended through May 23, 1995, has been filed as Exhibit 4.2 to Century's Form S-8 which was filed with the Securities and Exchange Commission on June 7, 1995.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

3(i) Amended and Restated Articles of Incorporation of Registrant (incorporated by reference to Exhibit 4.1 to Registration No. 33-60061).

3(ii) Bylaws of Registrant as amended through May 23, 1995 (incorporated by reference to Exhibit 4.2 to Registration No. 33-60061).

10.1 Form of Severance Agreement, as amended and restated as of May 23, 1995, by and between Registrant and each of its executive officers other than Clarke M. Williams.

10.2 Form of Severance Agreement dated May 23, 1995, by and between Registrant and seven of its officers who are not executive officers.

10.3 Deferred Compensation Plan for Outside Directors.

10.4 Amendment to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust.

10.5 Form of Stock Option Agreement, pursuant to 1995 Incentive Compensation Plan and dated as of May 22, 1995, entered into by Registrant and its officers.

10.6 Form of Stock Option Agreement, pursuant to 1995 Incentive Compensation Plan and dated as of June 23, 1995, entered into by Registrant and certain key employees.

10.7 Registrant's 1995 Incentive Compensation Plan (incorporated by reference to Exhibit 4.4 to Registration No. 33-60061).

11 Computations of Earnings Per Share.

27 Financial Data Schedule.

B. Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended June 30, 1995.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934,

the registrant has duly caused this report to be signed on its behalf by

the undersigned thereunto duly authorized.

CENTURY TELEPHONE ENTERPRISES, INC.

Date: August 7, 1995

/s/ Murray H. Greer

Murray H. Greer

Controller

(Principal Accounting Officer)

CENTURY TELEPHONE ENTERPRISES, INC.

INDEX TO EXHIBITS

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- 10.7 Registrant's 1995 Incentive Compensation Plan (incorporated by reference to Exhibit 4.4 to Registration No. 33-60061).
- 11 Computations of Earnings Per Share, included herein.
- 27 Financial Data Schedule, included herein.

Exhibit 10.1

SEVERANCE AGREEMENT

SEVERANCE AGREEMENT dated as of [May 24, 1990] [January 1, 1995], as amended and restated as of May 23, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company"), and _____ ("Executive").

WITNESSETH:

WHEREAS, as of [May 24, 1990] [January 1, 1995] the Company and Executive entered into an agreement providing for severance benefits on terms and conditions substantially similar to those set forth herein (the "Original Agreement"); and

WHEREAS, the Company and Executive wish to amend and restate the Original Agreement to (i) obligate the Company to make the Gross-up Payment specified in Section 3.1(b) below, (ii) clarify the definition of "Change of Control," (iii) revise Section 3.3 in its entirety, (iv) acknowledge the lapse of all prior employment agreements as specified in Section 5.3 below, (v) obligate Executive to refrain from disclosing certain confidential information as specified in Section 5.9 below, (vi) clarify the procedures for payment as specified in Section 5.10 and (vii) effect certain other miscellaneous changes, all of which were approved by the Compensation Committee of the Company's Board of Directors on May 22, 1995 and ratified by the full Board on May 23, 1995;

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties contained in the Original Agreement and herein, and intending to be legally bound hereby, the parties agree that the Original Agreement is hereby amended and restated in its entirety to read as follows:

SECTION 1

DEFINITIONS

As used herein, the following terms shall have the meanings specified.

1.1 The "Act" - the Securities Exchange Act of 1934, as amended.

1.2 "Announcement Date" - the earlier of (i) the day of the public announcement of a Change in Control (as hereinafter defined) or a proposal that results in a Change in Control or (ii) the date that the Board enters into negotiations with any person or entity, which negotiations result in a Change in Control.

1.3 "Auditors" - the Company's regular independent auditors as of the Announcement Date.

1.4 "Board" - the Board of Directors of the Company.

1.5 "Cause" - conviction of a felony, habitual intoxication, abuse of or addiction to a controlled dangerous substance, excessive absenteeism, the willful and continued failure by Executive to substantially perform his duties hereunder (other than any such failure resulting from Executive's incapacity due to physical or mental illness) after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes Executive has not substantially performed his duties, or the willful engaging by Executive in misconduct which is materially injurious to the Company, monetarily or otherwise. For purposes of this paragraph, no act or failure to act on Executive's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, Executive shall not be deemed to have been terminated for Cause without (i) reasonable notice to Executive setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Executive, together with his counsel, to be heard before the Board, and (iii) delivery to Executive of notice from the Board finding that, in the good faith opinion of the Board, Executive has been guilty of conduct set forth above in the preceding sentence, and specifying the particulars thereof in detail.

1.6 "Change in Control" - (i) the occurrence of an event with respect to the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Act; (ii) any "person" (as such term is used in Section 13(d) and 14(d) of the Act), other than the Company or any "person" who on the date hereof is a director, officer, an employee benefit plan or related trust or affiliate of the Company, becoming the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; (iii) the Company, its capital stock, or all or substantially all of its assets are acquired by or combined with (either through a merger, consolidation, reorganization, share exchange or otherwise) with another entity and less than a majority of the outstanding voting power of the parent or surviving corporation are owned, immediately after consummation of such transaction, by Century's shareholders immediately prior to such time; or (iv) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board ceasing for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period shall have been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period.

1.7 "Code" - Internal Revenue Code of 1986, as amended.

1.8 "Company" - Century Telephone Enterprises, Inc. or any successor thereto.

1.9 "Compensation Amount" - the sum of (i) Executive's annual salary as of the Announcement Date plus (ii) all cash and stock bonuses (valued on the date of grant) earned by Executive for the most recent twelve-month period ending before the effective date of a Change in Control.

1.10 "Effective Termination" - following an Announcement Date, any action taken by the Company or any controlling entity of the Company in relation to Executive's salary, duties or position as an executive officer of the Company, other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company (or any controlling entity of the Company) within three days after receipt of notice thereof given by Executive, that, in Executive's reasonable judgment, results in any of the following: (a) a reduction in Executive's salary as of the Announcement Date or a reduction in the value of the benefits received by Executive under any pension or welfare employee benefit plan maintained by the Company as of the Announcement Date; (b) a diminution in Executive's duties, responsibilities and position in the management of the Company and its subsidiaries including, without limitation, (i) the permanent assignment to Executive of duties not consistent with Executive's position as an executive officer of the Company, (ii) the demotion of Executive or (iii) the failure to provide Executive with secretarial assistance and all support, staff, office, equipment and other facilities necessary to carry out his functions as an executive officer of the Company; (c) the relocation of Executive to an office outside of the city in which he performed his services for the Company immediately prior to the Announcement Date; or (d) the refusal to allow Executive to attend to matters or engage in activities not directly related to the business of the Company which are of the type which he attended to or engaged in prior to the Announcement Date or was permitted to attend to or engage in by the Chief Executive Officer or the Board prior to the Announcement Date.

SECTION 2

TERM

This Agreement shall terminate on the earlier of (i) May 24, 2000 or (ii) the date that Executive ceases to be an employee of the Company at any time prior to an Announcement Date.

SECTION 3

COMPENSATION UPON TERMINATION

3.1 Compensation and Severance Benefits. (a) If, during the period beginning on the Announcement Date and ending three years following the effective date of a Change in Control, the Company (or any controlling entity of the Company) shall terminate Executive's employment with the Company, other than for Cause, or if Executive resigns because an event constituting an Effective Termination has occurred, Executive shall receive, in addition to all amounts to which he is entitled pursuant to the Company's termination policies and plans then in effect, as severance pay, an amount equal to the Compensation Amount multiplied by the number three. Such severance payment shall be made in a lump sum within five business days of the date that Executive's employment is terminated or the date that Executive notifies the Company that an event constituting an Effective Termination has occurred.

(b) Contemporaneously with any payments due under paragraph (a) and in addition to any other amounts due, the Company shall pay in cash to Executive an additional amount (the "Gross-up Payment") such that the sum of all such payments will enable Executive to receive on a net basis, after deducting any excise tax imposed on Executive by Section 4999 of the Code in connection with his receipt of all such payments and any federal, state and local income taxes imposed on Executive in connection with his receipt of all such payments, the same dollar amount as Executive would receive on a net basis (after deducting any applicable federal, state and local income taxes) if no such excise tax were payable under Section 4999 of the Code. In connection with making the Gross-up Payment, the Company shall cause the Auditors to furnish written calculations of (a) Executive's "base amount" within the meaning of Section 280G of the Code and the regulations promulgated thereunder (the "Base Amount"), (b) the amount of any "parachute payment" deemed to have been received by Executive with respect to the Change in Control within the meaning of Section 280G of the Code and the regulations promulgated thereunder (the "Parachute Payment") and (c) the aggregate marginal income tax rate applicable to Executive, after taking into account all applicable federal, state and local income taxes (the "Applicable Rate"). Upon receipt of these calculations from the Auditors, the parties shall, unless they mutually agree in writing to the contrary, determine the amount of the Gross-up Payment in accordance with the following formula:

$$G = (.2P - .2B) / (.8 - R)$$

where G is the amount of the Gross-up Payment, P is the amount of the Parachute Payment, B is the Base Amount and R is the Applicable Rate. If the Auditors fail to timely complete and deliver the calculations referred to above, the Company may defer making the Gross-up Payment (but no other payments contemplated hereunder) until such calculations are received, provided that no deferral shall be permitted if the Auditor's untimeliness is caused directly or indirectly by the Company's failure to cooperate in good faith with the Auditors and further provided that in no event whatsoever shall this payment be deferred by more than 10 business days.

3.2 Election of Benefits. In lieu of receiving the full amount of payments provided under Subsection 3.1 hereof, Executive may, by written

notice to the Company, elect to receive, at the Company's expense, for a period of up to ten years following the date that his employment is terminated, medical or life insurance benefits substantially similar to those benefits provided to him by the Company on the Announcement Date. The present value of such benefits shall be determined by the Auditors and deducted from the amounts to be paid by the Company to Executive pursuant to Subsection 3.1 hereof.

3.3 Additional Obligations of the Company. Nothing herein shall relieve the Company of its obligations to Executive under any qualified or non-qualified retirement plan, deferred compensation plan, incentive compensation plan, stock purchase plan, stock option plan, stock ownership plan, bonus plan, supplemental plan, insurance program or plan, or any other compensation, benefit or welfare plan or arrangement, or any agreement entered into thereunder.

SECTION 4

SUCCESSORS; ASSIGNMENT

4.1 Successors to Executive. This Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by the Executive's personal or legal representative, executors, administrators, successors, heirs, distributes, devisees and legatees. If Executive should die while any amounts would still be payable to him hereunder, had he continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devise, legatee, or other designee or, if there be no such designee, to Executive's estate.

4.2 Successors to Company. This Agreement and all obligations of the Company hereunder shall be binding on the Company and on any successor to the Company. The Company hereby agrees that it will not enter into any agreement to consolidate, amalgamate or merge with another entity or to convey all or substantially all of its assets to another entity unless such agreement provides for the rights set forth in this Agreement.

4.3 Assignment by Executive. Neither this agreement nor any of its benefits may be assigned by Executive.

SECTION 5

MISCELLANEOUS

5.1 Notice. Any notice provided for in this Agreement shall be actual notice and shall be deemed to have been duly given when actually received by Executive.

5.2 Waiver. The failure by any party to enforce any of its rights hereunder shall not be deemed to be a waiver of such rights, unless such waiver is an express written waiver. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

5.3 Whole Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements or understandings among the parties other than those set forth herein or provided hereby. Without limiting the generality of the foregoing, Executive acknowledges that any and all prior employment agreements between the Company and Executive lapsed on or prior to the date of the Original Agreement, and Executive has no rights thereunder.

5.4 Choice of Law. The validity of this Agreement, the construction of its terms and the determination of the rights and duties of the parties hereto shall be governed by and construed in accordance with the laws of the State of Louisiana applicable to contracts made and to be performed wholly within such state.

5.5 Amendment. The parties may amend this Agreement by an instrument in writing signed by both parties.

5.6 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

5.8 Expenses. The Company shall reimburse Executive all expenses, including attorneys' fees, actually and reasonably incurred by Executive in any proceeding to enforce any of his rights under this Agreement.

5.9 Confidentiality. Upon receipt of the payments or benefits contemplated by Section 3 hereof, Executive agrees to refrain for a period of three years from divulging any non-public, confidential or proprietary information concerning the Company or its subsidiaries to any person or entity other than the Company, its subsidiaries or their respective officers, directors or advisors, provided that this obligation shall lapse prior to the end of such three-year period with respect to any information that (i) is or becomes generally available to the public other than as a result of a breach of this Section, (ii) is or becomes available to Executive on a non-confidential basis from a source other than the Company or its

representatives, provided that such source is not known by Executive to have violated any confidentiality agreement with the Company in connection with such disclosure, or (iii) is acquired or developed independently by Executive without violating this Section.

5.10 Demand for Benefits. Unless otherwise provided herein, the payment or payments due hereunder shall be paid to Executive without the need for demand, and to a beneficiary upon the receipt of the beneficiary's address and Social Security number. Nevertheless, Executive or a person claiming to be a beneficiary who claims entitlement to a benefit can file a claim for benefits hereunder with the Company. Unless otherwise provided herein, the Company shall accept or reject the claim within five business days of its receipt. If the claim is denied, the Company shall give the reason for denial in a written notice that refers to the provision of this Agreement that forms the basis of the denial. If any additional information or material is necessary to perfect the claim, the Company will identify these items in writing and explain why such additional information is necessary.

IN WITNESS WHEREOF, the parties have executed this instrument as of the date and year first above written.

CENTURY TELEPHONE ENTERPRISES, INC.

By: _____

Glen F. Post, III
Vice Chairman, President and
Chief Executive Officer

EXECUTIVE

Exhibit 10.2

SEVERANCE AGREEMENT

SEVERANCE AGREEMENT dated as of May 23, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company"), and _____ ("Officer").

In consideration of the respective covenants and agreements of the parties contained herein, and intending to be legally bound hereby, the parties agree as follows:

SECTION 1

DEFINITIONS

As used herein, the following terms shall have the meanings specified.

1.1 The "Act" - the Securities Exchange Act of 1934, as amended.

1.2 "Announcement Date" - the earlier of (i) the day of the public announcement of a Change in Control (as hereinafter defined) or a proposal that results in a Change in Control or (ii) the date that the Board enters into negotiations with any person or entity, which negotiations result in a Change in Control.

1.3 "Auditors" - the Company's regular independent auditors as of the Announcement Date.

1.4 "Board" - the Board of Directors of the Company.

1.5 "Cause" - conviction of a felony, habitual intoxication, abuse of or addiction to a controlled dangerous substance, excessive absenteeism, the willful and continued failure by Officer to substantially perform his duties hereunder (other than any such failure resulting from Officer's incapacity due to physical or mental illness) after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes Officer has not substantially performed his duties, or the willful engaging by Officer in misconduct which is materially injurious to the Company, monetarily or otherwise. For purposes of this paragraph, no act or failure to act on Officer's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Company. Notwithstanding the foregoing, Officer shall not be deemed to have been terminated for Cause without (i) reasonable notice to Officer setting forth the reasons for the Company's intention to terminate for Cause, (ii) an opportunity for Officer, together with his counsel, to be heard before the Board, and (iii) delivery to Officer of notice from the Board finding that, in the good faith opinion of the Board, Officer has been guilty of conduct set forth above in the preceding sentence, and specifying the particulars thereof in detail.

1.6 "Change in Control" - (i) the occurrence of an event with respect to the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Act; (ii) any "person" (as such term is used in Section 13(d) and 14(d) of the Act), other than the Company or any "person" who on the date hereof is a director, officer, an employee benefit plan or related trust or affiliate of the Company, becoming the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; (iii) the Company, its capital stock, or all or substantially all of its assets are acquired by or combined with (either through a merger, consolidation, reorganization, share exchange or otherwise) with another entity and less than a majority of the outstanding voting power of the parent or surviving corporation are owned, immediately after consummation of such transaction, by Century's shareholders immediately prior to such time; or (iv) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board ceasing for any reason to constitute at least a majority thereof, unless the election of each director who was not a director at the beginning of such period shall have been approved in advance by directors representing at least two-thirds of the directors then in office who were directors at the beginning of the period.

1.7 "Code" - Internal Revenue Code of 1986, as amended.

1.8 "Company" - Century Telephone Enterprises, Inc. or any successor thereto.

1.9 "Compensation Amount" - the sum of (i) Officer's annual salary as of the Announcement Date plus (ii) all cash and stock bonuses (valued on the date of grant) earned by Officer for the most recent twelve-month period ending before the effective date of a Change in Control.

1.10 "Effective Termination" - following an Announcement Date, any action taken by the Company or any controlling entity of the Company in relation to Officer's salary, duties or position as an officer of the Company, other than an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company (or any controlling entity of the Company) within three days after receipt of notice thereof given by Officer, that, in Officer's reasonable judgment, results in any of the following: (a) a reduction in Officer's salary as of the Announcement Date or a reduction in the value of the benefits received by Officer under any pension or welfare employee benefit plan

maintained by the Company as of the Announcement Date; (b) a diminution in Officer's duties, responsibilities and position in the management of the Company and its subsidiaries including, without limitation, (i) the permanent assignment to Officer of duties not consistent with Officer's position as an officer of the Company, (ii) the demotion of Officer or (iii) the failure to provide Officer with secretarial assistance and all support, staff, office, equipment and other facilities necessary to carry out his functions as an officer of the Company; (c) the relocation of Officer to an office outside of the city in which he performed his services for the Company immediately prior to the Announcement Date; or (d) the refusal to allow Officer to attend to matters or engage in activities not directly related to the business of the Company which are of the type which he attended to or engaged in prior to the Announcement Date or was permitted to attend to or engage in by the Chief Executive Officer or the Board prior to the Announcement Date.

SECTION 2

TERM

This Agreement shall terminate on the earlier of (i) May 24, 2000 or (ii) the date that Officer ceases to be an employee of the Company at any time prior to an Announcement Date.

SECTION 3

COMPENSATION UPON TERMINATION

3.1 Compensation and Severance Benefits. (a) If, during the period beginning on the Announcement Date and ending 18 months following the effective date of a Change in Control, the Company (or any controlling entity of the Company) shall terminate Officer's employment with the Company, other than for Cause, or if Officer resigns because an event constituting an Effective Termination has occurred, Officer shall receive, in addition to all amounts to which he is entitled pursuant to the Company's termination policies and plans then in effect, as severance pay, an amount equal to 150% of the Compensation Amount. Such severance payment shall be made in a lump sum within five business days of the date that Officer's employment is terminated or the date that Officer notifies the Company that an event constituting an Effective Termination has occurred.

(b) Contemporaneously with any payments due under paragraph (a) and in addition to any other amounts due, the Company shall pay in cash to Officer an additional amount (the "Gross-up Payment") such that the sum of all such payments will enable Officer to receive on a net basis, after deducting any excise tax imposed on Officer by Section 4999 of the Code in connection with his receipt of all such payments and any federal, state and local income taxes imposed on Officer in connection with his receipt of all such payments, the same dollar amount as Officer would receive on a net basis (after deducting any applicable federal, state and local income taxes) if no such excise tax were payable under Section 4999 of the Code. In connection with making the Gross-up Payment, the Company shall cause the Auditors to furnish written calculations of (a) Officer's "base amount" within the meaning of Section 280G of the Code and the regulations promulgated thereunder (the "Base Amount"), (b) the amount of any "parachute payment" deemed to have been received by Officer with respect to the Change in Control within the meaning of Section 280G of the Code and the regulations promulgated thereunder (the "Parachute Payment") and (c) the aggregate marginal income tax rate applicable to Officer, after taking into account all applicable federal, state and local income taxes (the "Applicable Rate"). Upon receipt of these calculations from the Auditors, the parties shall, unless they mutually agree in writing to the contrary, determine the amount of the Gross-up Payment in accordance with the following formula:

$$G = (.2P - .2B) / (.8 - R)$$

where G is the amount of the Gross-up Payment, P is the amount of the Parachute Payment, B is the Base Amount and R is the Applicable Rate. If the Auditors fail to timely complete and deliver the calculations referred to above, the Company may defer making the Gross-up Payment (but no other payments contemplated hereunder) until such calculations are received, provided that no deferral shall be permitted if the Auditor's untimeliness is caused directly or indirectly by the Company's failure to cooperate in good faith with the Auditors and further provided that in no event whatsoever shall this payment be deferred by more than 10 business days.

3.2 Election of Benefits. In lieu of receiving the full amount of payments provided under Subsection 3.1 hereof, Officer may, by written notice to the Company, elect to receive, at the Company's expense, for a period of up to five years following the date that his employment is terminated, medical or life insurance benefits substantially similar to those benefits provided to him by the Company on the Announcement Date. The present value of such benefits shall be determined by the Auditors and deducted from the amounts to be paid by the Company to Officer pursuant to Subsection 3.1 hereof.

3.3 Additional Obligations of the Company. Nothing herein shall relieve the Company of its obligations to Officer under any qualified or non-qualified retirement plan, deferred compensation plan, incentive compensation plan, stock purchase plan, stock option plan, stock ownership plan, bonus plan, supplemental plan, insurance program or plan, or any other compensation, benefit or welfare plan or arrangement, or any agreement entered into thereunder.

SECTION 4

SUCCESSORS; ASSIGNMENT

4.1 Successors to Officer. This Agreement and all rights of Officer hereunder shall inure to the benefit of and be enforceable by the Officer's personal or legal representative, executors, administrators, successors, heirs, distributes, devises and legatees. If Officer should die while any amounts would still be payable to him hereunder, had he continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Officer's devise, legatee, or other designee or, if there be no such designee, to Officer's estate.

4.2 Successors to Company. This Agreement and all obligations of the Company hereunder shall be binding on the Company and on any successor to the Company. The Company hereby agrees that it will not enter into any agreement to consolidate, amalgamate or merge with another entity or to convey all or substantially all of its assets to another entity unless such agreement provides for the rights set forth in this Agreement.

4.3 Assignment by Officer. Neither this agreement nor any of its benefits may be assigned by Officer.

SECTION 5

MISCELLANEOUS

5.1 Notice. Any notice provided for in this Agreement shall be actual notice and shall be deemed to have been duly given when actually received by Officer.

5.2 Waiver. The failure by any party to enforce any of its rights hereunder shall not be deemed to be a waiver of such rights, unless such waiver is an express written waiver. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

5.3 Whole Agreement. This Agreement constitutes the entire understanding and agreement among the parties hereto with respect to the subject matter hereof, and there are no agreements or understandings among the parties other than those set forth herein or provided hereby.

5.4 Choice of Law. The validity of this Agreement, the construction of its terms and the determination of the rights and duties of the parties hereto shall be governed by and construed in accordance with the laws of the State of Louisiana applicable to contracts made and to be performed wholly within such state.

5.5 Amendment. The parties may amend this Agreement by an instrument in writing signed by both parties.

5.6 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

5.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

5.8 Expenses. The Company shall reimburse Officer all expenses, including attorneys' fees, actually and reasonably incurred by Officer in any proceeding to enforce any of his rights under this Agreement.

5.9 Confidentiality. Upon receipt of the payments or benefits contemplated by Section 3 hereof, Officer agrees to refrain for a period of 18 months from divulging any non-public, confidential or proprietary information concerning the Company or its subsidiaries to any person or entity other than the Company, its subsidiaries or their respective officers, directors or advisors, provided that this obligation shall lapse prior to the end of such 18-month period with respect to any information that (i) is or becomes generally available to the public other than as a result of a breach of this Section,

(ii) is or becomes available to Officer on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known by Officer to have violated any confidentiality agreement with the Company in connection with such disclosure, or (iii) is acquired or developed independently by Officer without violating this Section.

5.10 Demand for Benefits. Unless otherwise provided herein, the payment or payments due hereunder shall be paid to Officer without the need for demand, and to a beneficiary upon the receipt of the beneficiary's address and Social Security number. Nevertheless, Officer or a person claiming to be a beneficiary who claims entitlement to a benefit can file a claim for benefits hereunder with the Company. Unless otherwise provided herein, the Company shall accept or reject the claim within five business days of its receipt. If the claim is denied, the Company shall give the reason for denial in a written notice that refers to the provision of this Agreement that forms the basis of the denial. If any additional information or material is necessary to perfect the claim, the Company will identify these items in writing and explain why such additional information is necessary.

IN WITNESS WHEREOF, the parties have executed this instrument as of the date and year first above written.

CENTURY TELEPHONE ENTERPRISES, INC.

By: _____

Glen F. Post, III
Vice Chairman, President and
Chief Executive Officer

OFFICER

Exhibit 10.3

CENTURY TELEPHONE ENTERPRISES, INC. DEFERRED COMPENSATION PLAN FOR OUTSIDE DIRECTORS

I. PURPOSE OF THE PLAN

1.01 This Deferred Compensation Plan for Outside Directors is intended to provide a mechanism whereby non-employee directors of Century Telephone Enterprises, Inc. can elect to defer all or a portion of their fees earned as directors or as members of committees of the Board of Directors.

II.

DEFINITIONS

2.01 As used in this Plan, the following terms shall have the meanings indicated, unless the context otherwise specifies or requires:

- (a) "ACCOUNT" shall mean the account established under this Plan in accordance with Article IV hereof.
- (b) "ACCOUNT BALANCE", as of a given date, shall mean the fair market value of a Participant's Account, as determined by the Committee.
- (c) "BOARD OF DIRECTORS" shall mean not less than a quorum of the whole Board of Directors of Century Telephone Enterprises, Inc.
- (d) "COMMITTEE" shall mean the persons appointed to administer this Plan pursuant to Article XI hereof.
- (e) "COMPANY" shall mean Century Telephone Enterprises, Inc.
- (f) "COMPENSATION" shall mean all monies payable to a Participant designated as director's fees, whether paid or accrued to the Participant as an annual retainer or paid or accrued for attendance of the Participant at Board of Directors or committee meetings. The determination of a Participant's Compensation for purposes of this Plan shall be made by the Committee, in its sole discretion.
- (g) "DISABILITY" shall mean a condition which makes a Participant unable to perform each of the material duties of a director where he is likely to remain thus incapacitated continuously and permanently.
- (h) "EFFECTIVE DATE" of this Plan shall mean the date on which this Plan is executed.
- (i) "PARTICIPANT" shall mean any director of the Company who is not an employee of the Company.
- (j) "PLAN" shall mean the Century Telephone Enterprises, Inc. Deferred Compensation Plan for Outside Directors.
- (k) "UNFORESEEABLE EMERGENCY" shall mean an unanticipated emergency that is caused by an event beyond the control of a Participant and that will result in severe financial hardship to the Participant unless a payment to the Participant is made pursuant to Article VI.

III. DEFERRAL ARRANGEMENT

3.01 Each Participant may elect, in the manner hereinafter described, to have an amount or percentage of his Compensation to be received by him during each year from and after the effective date of this Plan deferred in accordance with the terms and conditions of this Plan. A Participant desiring to exercise such election shall, prior to the beginning of each calendar year (or prior to the beginning of the Participant's initial period of service, if such period of service is to commence other than at the beginning of a year, or simultaneous with the adoption of this Plan for the initial year), notify the Company, in writing, on a Director's Deferred Compensation Agreement in the form attached hereto (hereinafter referred to as a "Director's Deferral Agreement") of the amount or percentage of such Compensation for the year that the Participant elects to defer. If a Participant has exercised an election to defer Compensation hereunder and does not complete a new Director's Deferral Agreement for a subsequent year, his previous election shall remain in effect until superseded by a new Director's Deferral Agreement.

IV.

ACCOUNTS AND CREDIT

4.01 The deferred Compensation of a Participant will not be paid by the Company as it is earned by the Participant. The Company shall create and credit to a special memorandum account on its books (hereinafter referred to as "Account") the deferred compensation referred to in this Plan and the Director's Deferral Agreement. The Company shall provide an annual statement of his Account to each Participant for whom an Account is created.

V.

VALUATION OF ACCOUNT

5.01 The Company shall adjust each Account to reflect a value which would have been earned as if the amount of such Account had been invested at a rate of return equal to the fifty-two (52) week Treasury bill rate as of January 1 of each year. The Company may, with the consent of all Participants with Account balances, agree to substitute a different measure for valuation of the Accounts of Participants, effective as of the date agreed to between the Company and the Participants.

VI.

PAYMENT OF ACCOUNTS

6.01 (a) A Participant's Account Balance under the Plan shall be distributable to him in a manner elected by such Participant in his Director's Deferral Agreement, subject to the following:

(1) In no event shall payments under this Article commence prior to the earliest of the following:

(a) Death of the Participant;

(b) Permanent disability of the Participant;

(c) Termination of the Participant's director's status with Company;

(d) Occurrence of an Unforeseeable Emergency; or

(e) A date designated on the Participant's Director's Deferral Agreement.

(b) In the case of an Unforeseeable Emergency, payment will be made to a Participant only after the Committee has been notified of the facts of the emergency in writing and has judged the facts to indeed represent an Unforeseeable Emergency. A payment to a Participant on account of an Unforeseeable Emergency shall be limited to the amount necessary to meet the emergency involved.

(c) In the event of the death of a Participant before complete payment to him of all amounts credited to his Account, the balance to the credit of the Participant shall be paid to such beneficiary or beneficiaries as may be designated by the Participant in writing prior to his death, or if no beneficiary is so designated then to his surviving spouse, or if he has none then to his executor or administrator. A Participant's initial designation of beneficiary shall be made on a Beneficiary Designation Form in the form attached hereto. After the initial designation, the beneficiary designation may be amended or revoked by the Participant at any time. Such amendment or revocation of a beneficiary designation shall be by written notice to the Company on a revised Beneficiary Designation Form.

VII. NONALIENATION OF RIGHTS

7.01 No Participant shall have the right to assign, pledge, or otherwise dispose of his deferred Compensation, his Account, or any other benefits under this Plan; nor shall the Participant's interest therein be subject to garnishment, attachment, transfer by operation of law, or legal process.

VIII. NATURE OF THE PLAN

8.01 Benefits under the Plan shall generally be payable by the Company from its own funds, and such benefits shall not (i) impose any obligation upon the trust(s) of the other employee benefit programs of the Company; (ii) be paid from such trust(s); nor (iii) have any effect whatsoever upon the amount or payment of benefits under the other employee benefit programs of the Company. Participants have only an unsecured right to receive benefits under the Plan from the Company as general creditors of the Company. The Company may deposit amounts in a trust established by the Company for the purpose of funding the Company's obligations under this Plan. Participants and their beneficiaries, however, have no secured interest or special claim to the assets of such trust, and the assets of the trust shall be subject to the payment of claims of general creditors of the Company upon the insolvency or bankruptcy of the Company, as provided in the trust.

IX.

BINDING EFFECT

9.01 In the event that the Company shall at any time be merged or consolidated with any other corporation or corporations, or shall sell or otherwise transfer a substantial portion of its assets to another corporation or entity, the provisions of this Deferred Compensation Plan shall be binding upon and become the obligation of the Company or other entity surviving or resulting from such merger or consolidation, or to which such assets shall be sold or transferred.

X.

LIMITATION OF RIGHTS

10.01 Nothing in this Agreement shall be construed to:

- (1) Limit in any way the right of the Board of Directors to terminate a Participant's director status with the Company; or
- (2) Be evidence of any agreement or understanding, expressed or implied, that the Board of Directors will elect an outside director to any particular position or compensate an outside director at any particular rate of remuneration; or
- (3) Imply that compensation deferral agreements for subsequent time periods will be offered to or entered into with the Participant.

XI.

ADMINISTRATION OF THE ACCOUNT

11.01 This Plan shall be administered by a Committee of not less than three persons appointed from time to time by the Board of Directors of the Company to serve at the pleasure of the Board of Directors. The Committee shall be deemed to have all of the powers of the Board of Directors of the Company in the performance of any of the powers and duties delegated to it under this Plan. The Committee shall from time to time establish eligibility requirements for participation in this Plan and rules for the administration of this Plan that are not inconsistent with the provisions of this Plan. The Board may from time to time appoint additional members of the Committee or remove members and appoint new members in substitution for those previously appointed and to fill vacancies however caused.

11.02 The decision of the Committee relating to any question concerning or involving the interpretation or administration of the Plan shall be final and conclusive, and nothing in the Plan shall be deemed to give any director any right to participate in the Plan, except to such extent, if any, as the Committee may have determined or approved pursuant to the provisions of the Plan.

XII.

AMENDMENT OR TERMINATION OF PLAN

12.01 Notwithstanding anything herein contained to the contrary, the Board of Directors of the Company may, in its absolute discretion and without notice, modify, amend, or terminate in whole or in part, any or all of the provisions of this Plan, or suspend or terminate it entirely. In the event of such termination or suspension, the amount credited to the Account of each Participant shall become payable in the manner indicated in the Director's Deferral Agreement for such Participant.

XIII.

EXPENSES OF ADMINISTRATION

13.01 All expenses of administration of this Plan shall be borne by the Company.

XIV.

MISCELLANEOUS

14.01 The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may indicate the plural, unless the context clearly indicates the contrary.

IN WITNESS WHEREOF, the Company has caused this Plan to be executed as of May 23, 1995, effective as of the date hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ R. Stewart Ewing, Jr.

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

DIRECTOR'S DEFERRED COMPENSATION AGREEMENT

Between CENTURY TELEPHONE ENTERPRISES, INC.

and

_____, Participant

Dated _____, 19__

THE COMPANY and the Participant agree as follows:

Section I. With respect to any portion of the Compensation as defined in Section 2.01(f) of said Plan which may be payable to said Participant for the next fiscal year commencing on January 1, 19__, and ending December 31, 19__, it is agreed that ____% (a percentage) or \$_____ (a flat dollar amount) be withheld and treated as a deferred payment pursuant to Article III of the Plan. If this Agreement is for the first year this Plan is in effect, it shall apply to Compensation payable on or after the effective date of the Plan. If a Participant who has elected to have Compensation deferred does not provide the Company with a new agreement for a subsequent year(s), the Agreement previously executed by the Participant shall remain in effect until superseded by a new agreement.

Section II. Payments under Article VI of the Plan shall be made upon retirement, disability, death, termination of director status, occurrence of an Unforeseeable Emergency of the Participant, or, if earlier, _____, 19__. Such payment shall be paid to the Participant in the following manner:

- (a) In ____ successive equal annual installments commencing as soon as administratively feasible following such event.
- (b) In a lump sum payable as soon as administratively feasible following such event.
- (c) In the event of an Unforeseeable Emergency, in such amounts and on such date(s) as determined by the Committee.

AGREED TO at _____, _____ on _____, 19__, by the Company and the Participant.

CENTURY TELEPHONE ENTERPRISES, INC.

By: _____

_____, Participant

BENEFICIARY DESIGNATION FORM

_____, Participant

Dated _____, 19__

PURSUANT to Article VI of the Plan, the undersigned Participant:

Section I. Hereby directs that his remaining Account Balance at his death shall be paid as hereinafter provided to such of the following beneficiary(ies):

Name ----	Relationship -----	Address -----
_____	_____	_____
_____	_____	_____
_____	_____	_____

as shall survive the undersigned Participant. Unless otherwise stated herein, if more than one beneficiary is designated above, payments shall be made in equal shares to and among such of the beneficiaries as are surviving at the time hereinafter set forth for the making of each such payment.

Section II. If the above designated beneficiary or beneficiaries all predecease the Participant or all die prior to complete payment of the entire Account Balance, then the remaining balance shall be paid as hereinafter provided in equal shares to and among such of the following beneficiary(ies):

Name ----	Relationship -----	Address -----
_____	_____	_____
_____	_____	_____
_____	_____	_____

as shall be surviving at the time hereinafter set forth for the making of each such payment.

Section III. Payment to said beneficiary(ies) after the death of the undersigned Participant shall be made as follows (initial the desired form of payment):

- _____

(a) In a lump sum payable as soon as administratively feasible following the Participant's death.
- _____

(b) In ____ successive equal annual installments, commencing as soon as administratively feasible following the death of the undersigned.

Section IV. The undersigned hereby reserves the right to amend or revoke this Beneficiary Designation Form as provided in Article VI of the Plan.

Dated:_____, 19____

_____, Participant

**AMENDMENT TO THE
CENTURY TELEPHONE ENTERPRISES, INC.
STOCK BONUS PLAN, PAYSOP AND TRUST**

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 11th day of July, 1995, before me, a Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

Century Telephone Enterprises, Inc., represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor and Employer.

WHEREAS, Sections 12.2 and 12.3 were inadvertently omitted from the 1994 Amendment and Restatement of the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust; NOW, THEREFORE, the following amendment is hereby made to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, effective as if included in the 1994 Amendment and Restatement of the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust:

Insert Sections 12.2 and 12.3 in the Table of Contents, as follows:

"12.2 Voting Rights

12.3 Rights on Tender or Exchange Offer"

Insert Sections 12.2 and 12.3 in the Plan as follows:

"12.2 Voting Rights.

Each Participant in the Plan (or, in the event of the Participant's death, the Participant's beneficiary) is, for purposes of this Section 12.2, hereby designated a "named fiduciary" within the meaning of Section 403(a)(1) of ERISA and shall be entitled to direct the Plan and Trustee as to the manner in which Company Stock allocated to the Account or Accounts of such Participant (but excluding any PAYSOP Tax Credit Account of the Participant which is treated under

Section 17.5(e)) is to be voted on each matter brought before an annual or special stockholders' meeting of the Employer. Before each such meeting of stockholders, the Trustee shall cause to be furnished to each Participant (or beneficiary) a copy of the proxy solicitation material, together with a form requesting confidential directions on how such shares of stock allocated to such Participant's Account or Accounts shall be voted on each such matter. Upon timely receipt of such directions the Trustee shall on each such matter vote as directed the number of votes attributable, as provided below, to such Participant.

The instructions received by the Trustee from Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Employer or any affiliate; provided, however, that to the extent necessary for the operation of the Plan, such instructions may be relayed by the trustee to a recordkeeper, auditor or other person providing services to the Plan if such person (i) is not the Employer, an affiliate or any employee, officer or director thereof, and (ii) agrees not to divulge such directions to any other person, including employees, officers and directors of the Employer and its affiliates.

The number of votes attributable to each Participant shall be determined as follows:

(i) first, the total number of votes attributable to Company Stock owned by the Plan (excluding the PAYSOP portion thereof), shall be determined;

(ii) second the number of votes determined under

(i), above, shall be attributed to each Participant, in the ratio which the number of shares allocated to such Participant's Account or Accounts (excluding the PAYSOP Tax Credit Account of the Participant) as of the immediately preceding Valuation Date bears to the total number of shares owned by the Plan (excluding the PAYSOP portion thereof) as of such date.

Each Participant, as a named fiduciary, shall also be entitled to separately direct the vote (excluding any votes attributable to PAYSOP Tax Credit Accounts of Participants) of a portion of the number of votes with respect to which a signed voting-direction instrument is not timely received from the Participants and a portion of the number of votes with respect to any shares of stock not then allocated to Accounts of Participants ("Undirected Votes"). Such direction with respect to each Participant who timely elects to direct the vote of Undirected Votes as a named fiduciary shall be with respect to a number of Undirected Votes equal to the total number of Undirected Votes multiplied by a fraction, the numerator of which is the total number of votes attributable to such Participant and the denominator of which is the total number of votes attributable to all Participants who timely elect to vote Undirected Votes as a named fiduciary.

12.3 Rights on Tender or Exchange Offer.

Each Participant (or, in the event of the Participant's death, the Participant's beneficiary) is, for purposes of this

Section 12.3, hereby designated a "named fiduciary" within the meaning of Section 403(a)(1) of ERISA and shall have the right, to the extent of the number of shares of Company Stock allocated to such Participant's Account or Accounts (including a PAYSOP Tax Credit Account of the Participant), to direct the Trustee in writing as to the manner in which to respond to a tender or exchange offer with respect to shares of Company Stock. The Trustee shall use its best efforts to timely distribute or cause to be distributed to each Participant (or beneficiary) such information as will be distributed to stockholders of the Employer in connection with any such tender or exchange offer. Upon timely receipt of such instructions, the Trustee shall respond as instructed with respect to shares of Company Stock allocated to such Participant's Account or Accounts. The instructions received by the Trustee from Participants shall be held by the Trustee in strict confidence and shall not be divulged or released to any person, including officers or employees of the Employer or any affiliate; provided, however, that to the extent necessary for the operation of the Plan, such instructions may be relayed by the Trustee to a recordkeeper, auditor or other person providing services to the Plan if such person (i) is not the Employer, an affiliate or any employee, officer or director thereof, and (ii) agrees not to divulge such directions to any other person including employees, officers and directors of the Employer and its affiliates. If the Trustee shall not receive timely instruction from a Participant (or beneficiary) as to the manner in which to respond to such a tender or exchange offer, the Trustee shall not tender or exchange any shares of Company Stock with respect to which such Participant has the right of direction. Each Participant, as a named fiduciary, shall also be entitled to separately direct the tender of a portion of the shares of Company Stock not allocated to Accounts of Participants. Such direction shall be with respect to the number of such unallocated shares of Company Stock multiplied by a fraction, the numerator of which is the total shares of Company Stock allocated to the Participant's Account or Accounts and the denominator of which is the total number of shares of Company Stock which are allocated to the Accounts of all Participants. In effecting the foregoing, to the extent possible, the Trustee shall tender or exchange shares of Company Stock entitled to one vote per share prior to shares of Company Stock having greater than one vote per share.

THUS DONE AND SIGNED on the day first above shown, in the presence of the undersigned competent witnesses, who hereunto sign their names with the said appearers and me, Notary, after reading of the whole.

WITNESSES:

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

By: /s/ R. Stewart Ewing, Jr.

/s/ Marta L. Cole

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

/s/ Kathy Tettleton

Notary Public

ACCEPTANCE OF AMENDMENT BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 11th day of July, 1995,

BEFORE ME, a Notary Public, and in the presence of the undersigned competent witnesses, personally came and appeared:

REGIONS BANK OF LOUISIANA

which declared that it is appearing herein for the purpose of accepting and it does hereby accept the amendment to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust adopted by the Settlor on July 11, 1995.

THUS DONE AND SIGNED at Monroe, Louisiana, on the date first above written.

WITNESSES:

REGIONS BANK OF LOUISIANA

/s/ Joyce Barnes

/s/ William W. Keith

By:

William W. Keith, Executive Vice
President and Trust Officer

/s/ Michelle L. Allen

Cathy M. Yelverton

Notary Public

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

**NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE
CENTURY TELEPHONE ENTERPRISES, INC.
1995 INCENTIVE COMPENSATION PLAN**

THIS AGREEMENT is entered into as of May 22, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation ("Century"), and _____ ("Optionee").

WHEREAS Optionee is a key employee of Century or one of its subsidiaries (collectively, the "Company") and Century considers it desirable and in its best interest that Optionee be given an inducement to acquire a proprietary interest in Century and an incentive to advance the interests of Century by possessing an option to purchase shares of the common stock, \$1.00 par value per share, of Century (the "Common Stock") under the Century Telephone Enterprises, Inc. 1995 Incentive Compensation Plan (the "Plan"), which was adopted by the Compensation Committee of the Board of Directors of Century (the "Committee") on February 19, 1995, ratified by the Board of Directors of Century on February 21, 1995, and approved by the shareholders at Century's 1995 Annual Meeting of Shareholders;

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

1.

Grant of Option

1.01 Century hereby grants to Optionee the right, privilege and option to purchase _____ shares of Common Stock (the "Option") at the following exercise prices:

The exercise price of _____ of the shares covered by the Option is \$32.86; The exercise price of _____ of the shares covered by the Option is \$36.12; The exercise price of _____ of the shares covered by the Option is \$39.69.

1.02 The Option is a non-qualified stock option and shall not be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2.

Time of Exercise

2.01 Subject to the provisions of the Plan and Section 2.02 hereof, the Optionee shall be entitled to exercise the Option beginning six months after May 22, 1995 (the "Date of Grant") and ending 10 years after the Date of Grant.

2.02 Notwithstanding the foregoing, the Option shall become accelerated and immediately exercisable in full if (a.) Optionee dies while he is employed by the Company, (b.) Optionee becomes disabled within the meaning of Section 22(e)(3) of the Code ("Disability") while he is employed by the Company, (c.) Optionee retires from employment with the Company on or after attaining the age of 65 or is granted early retirement by a vote of the Board of Directors ("Retirement") or (d.) pursuant to the provisions of the Plan.

3.

Conditions for Exercise of Option

During Optionee's lifetime, the Option may be exercised only by him or by his guardian or legal representative. The Option must be exercised while Optionee is employed by the Company, or, to the extent exercisable at the time of termination of employment, within 190 days of the date on which he ceases to be an employee, except that (a.) if he ceases to be an employee because of Retirement or Disability, the Option may be exercised, to the extent exercisable at the time of termination of employment, during the remaining term of the Option, (b.) if an Optionee's employment is terminated for cause, the unexercised portion of the Option is immediately terminated, and (c.) in the event of Optionee's death, the Option may be exercised, to the extent exercisable at the time of termination of employment, by his estate, or by the person to whom such right evolves from him by reason of his death during the remaining term of the Option; provided, however, that no Option may be exercised later than 10 years after the Date of Grant.

4.

Preferred Stock Purchase Rights

If during the period that all or a portion of the Option remains outstanding, rights to purchase shares of Series AA Junior Participating Preferred Stock or other securities or property of the Company (the "Rights" and each a "Right") pursuant to that certain Amended and Restated Rights Agreement dated as of November 17, 1986 between the Company and the Rights Agent named therein, as amended (the "Rights Agreement") or any successor rights agreement, become exercisable and may be traded separately from the Common Stock, then the Option shall automatically be converted into the right to receive, upon payment of the exercise price, one Right for each share of Common Stock received upon exercise of the Option.

5.

Additional Conditions

Anything in this Agreement to the contrary notwithstanding, if at any time Century further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of the shares of Common Stock issuable pursuant to the exercise of an Option is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such shares of Common Stock shall not be issued, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to Century. Century agrees to promptly take any and all actions necessary or desirable in order that all shares of Common Stock issuable hereunder shall be issued as provided herein.

6.

No Contract of Employment Intended

Nothing in this Agreement shall confer upon Optionee any right to continue in the employment of the Company or to interfere in any way with the right of Century to terminate Optionee's employment relationship with the Company at any time.

7.

Taxes

The Company may make such provisions as it may deem appropriate for the withholding of any federal, state and local taxes that it determines are required to be withheld on the exercise of the Option.

8.

Binding Effect

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

9.

Inconsistent Provisions

The Option granted hereby is subject to the provisions of the Plan. If any provision of this Agreement conflicts with a provision of the Plan, the Plan provision shall control.

10.

Adjustments to Options

Appropriate adjustments shall be made to the number and class of shares of Common Stock subject to the Option and to the exercise price in certain situations described in Section 10.6 of the Plan.

11.

Termination of Option

The Committee, in its sole discretion, may terminate the Option. However, no termination may adversely affect the rights of Optionee to the extent that the Option is currently exercisable on the date of such termination.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CENTURY TELEPHONE ENTERPRISES, INC.

By: _____
Ernest Butler, Jr., Chairman,
Compensation Committee

Optionee

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES
THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.**

**NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER THE
CENTURY TELEPHONE ENTERPRISES, INC.
1995 INCENTIVE COMPENSATION PLAN**

THIS AGREEMENT is entered into as of June 23, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation ("Century"), and _____ ("Optionee").

WHEREAS Optionee is a key employee of Century or one of its subsidiaries (collectively, the "Company") and Century considers it desirable and in its best interest that Optionee be given an inducement to acquire a proprietary interest in Century and an incentive to advance the interests of Century by possessing an option to purchase shares of the common stock, \$1.00 par value per share, of Century (the "Common Stock") under the Century Telephone Enterprises, Inc. 1995 Incentive Compensation Plan (the "Plan"), which was adopted by the Compensation Committee of the Board of Directors of Century (the "Committee") on February 19, 1995, ratified by the Board of Directors of Century on February 21, 1995, and approved by the shareholders at Century's 1995 Annual Meeting of Shareholders;

NOW, THEREFORE, in consideration of the premises, it is agreed as follows:

1.

Grant of Option

1.01 Century hereby grants to Optionee the right, privilege and option to purchase _____ shares of Common Stock (the "Option") at the following exercise prices:

The exercise price of _____ of the shares covered by the Option is \$31.63; The exercise price of _____ of the shares covered by the Option is \$34.76; The exercise price of _____ of the shares covered by the Option is \$38.20.

1.02 The Option is a non-qualified stock option and shall not be treated as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2.

Time of Exercise

2.01 Subject to the provisions of the Plan and Section 2.02 hereof, the Optionee shall be entitled to exercise the Option beginning six months after June 23, 1995 (the "Date of Grant") and ending 10 years after the Date of Grant.

2.02 Notwithstanding the foregoing, the Option shall become accelerated and immediately exercisable in full if (a.) Optionee dies while he is employed by the Company, (b.) Optionee becomes disabled within the meaning of Section 22(e)(3) of the Code ("Disability") while he is employed by the Company, (c.) Optionee retires from employment with the Company on or after attaining the age of 65 or is granted early retirement by a vote of the Board of Directors ("Retirement") or (d.) pursuant to the provisions of the Plan.

3.

Conditions for Exercise of Option

During Optionee's lifetime, the Option may be exercised only by him or by his guardian or legal representative. The Option must be exercised while Optionee is employed by the Company, or, to the extent exercisable at the time of termination of employment, within 190 days of the date on which he ceases to be an employee, except that (a.) if he ceases to be an employee because of Retirement or Disability, the Option may be exercised, to the extent exercisable at the time of termination of employment, during the remaining term of the Option, (b.) if an Optionee's employment is terminated for cause, the unexercised portion of the Option is immediately terminated, and (c.) in the event of Optionee's death, the Option may be exercised, to the extent exercisable at the time of termination of employment, by his estate, or by the person to whom such right evolves from him by reason of his death during the remaining term of the Option; provided, however, that no Option may be exercised later than 10 years after the Date of Grant.

4.

Preferred Stock Purchase Rights

If during the period that all or a portion of the Option remains outstanding, rights to purchase shares of Series AA Junior Participating Preferred Stock or other securities or property of the Company (the "Rights" and each a "Right") pursuant to that certain Amended and Restated Rights Agreement dated as of November 17, 1986 between the Company and the Rights Agent named therein, as amended (the "Rights Agreement") or any successor rights agreement, become exercisable and may be traded separately from the Common Stock, then the Option shall automatically be converted into the right to receive, upon payment of the exercise price, one Right for each share of Common Stock received upon exercise of the Option.

5.

Additional Conditions

Anything in this Agreement to the contrary notwithstanding, if at any time Century further determines, in its sole discretion, that the listing, registration or qualification (or any updating of any such document) of the shares of Common Stock issuable pursuant to the exercise of an Option is necessary on any securities exchange or under any federal or state securities or blue sky law, or that the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with the issuance of shares of Common Stock pursuant thereto, or the removal of any restrictions imposed on such shares, such shares of Common Stock shall not be issued, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to Century. Century agrees to promptly take any and all actions necessary or desirable in order that all shares of Common Stock issuable hereunder shall be issued as provided herein.

6.

No Contract of Employment Intended

Nothing in this Agreement shall confer upon Optionee any right to continue in the employment of the Company or to interfere in any way with the right of Century to terminate Optionee's employment relationship with the Company at any time.

7.

Taxes

The Company may make such provisions as it may deem appropriate for the withholding of any federal, state and local taxes that it determines are required to be withheld on the exercise of the Option.

8.

Binding Effect

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

9.

Inconsistent Provisions

The Option granted hereby is subject to the provisions of the Plan. If any provision of this Agreement conflicts with a provision of the Plan, the Plan provision shall control.

10.

Adjustments to Options

Appropriate adjustments shall be made to the number and class of shares of Common Stock subject to the Option and to the exercise price in certain situations described in Section 10.6 of the Plan.

11.

Termination of Option

The Committee, in its sole discretion, may terminate the Option. However, no termination may adversely affect the rights of Optionee to the extent that the Option is currently exercisable on the date of such termination.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed as of the day and year first above written.

CENTURY TELEPHONE ENTERPRISES, INC.

By: _____
Glen F. Post, III, President
and Chief Executive Officer

Optionee

EXHIBIT 11

CENTURY TELEPHONE ENTERPRISES, INC.

**COMPUTATIONS OF EARNINGS PER SHARE
(UNAUDITED)**

	Three months ended June 30		Six months ended June 30	
	1995	1994	1995	1994
	(Dollars, except per share amounts, and shares expressed in thousands)			
Net income	\$26,167	21,485	53,167	40,686
Dividends applicable to preferred stock	(28)	(30)	(57)	(43)
Net income applicable to common stock	26,139	21,455	53,110	40,643
Dividends applicable to preferred stock	28	30	57	43
Interest on 6% convertible debentures, net of taxes	-	1,146	526	2,292
Net income as adjusted for purposes of computing fully diluted earnings per share	\$26,167	22,631	53,693	42,978
Weighted average number of shares:				
Outstanding during period	58,338	53,365	57,125	52,825
Common stock equivalent shares	490	519	577	525
Employee Stock Ownership Plan shares not committed to be released	(375)	(338)	(384)	(193)
Number of shares for computing primary earnings per share	58,453	53,546	57,318	53,157
Incremental common shares attributable to additional dilutive effect of convertible securities	206	4,742	1,341	4,702
Number of shares as adjusted for purposes of computing fully diluted earnings per share	58,659	58,288	58,659	57,859
Earnings per average common share	\$.45	.40	.93	.77
Primary earnings per share	\$.45	.40	.93	.76
Fully diluted earnings per share	\$.45	.39	.92	.74

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURY TELEPHONE ENTERPRISES, INC. & SUBSIDIARIES AS OF JUNE 30, 1995 & THE RELATED UNAUDITED CONSOLIDATED STATEMENTS OF INCOME, STOCKHOLDERS' EQUITY & CASH FLOWS FOR THE SIX-MONTH PERIOD THEN ENDED & IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1995
PERIOD START	JAN 01 1995
PERIOD END	JUN 30 1995
CASH	6,150
SECURITIES	0
RECEIVABLES	45,873
ALLOWANCES	2,371
INVENTORY	5,972
CURRENT ASSETS	81,411
PP&E	1,416,246
DEPRECIATION	411,997
TOTAL ASSETS	1,718,685
CURRENT LIABILITIES	316,231
BONDS	393,994
COMMON	58,368
PREFERRED MANDATORY	0
PREFERRED	2,268
OTHER SE	751,902
TOTAL LIABILITY AND EQUITY	1,718,685
SALES	0
TOTAL REVENUES	292,159
CGS	0
TOTAL COSTS	195,791
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	21,847
INCOME PRETAX	87,662
INCOME TAX	34,495
INCOME CONTINUING	53,167
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	53,167
EPS PRIMARY	0.93
EPS DILUTED	0.92

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