

CENTURYTEL INC

FORM 10-Q (Quarterly Report)

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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, 1998

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) 388-9000

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, 1998, there were 91,819,855 shares of common stock outstanding.

CENTURY TELEPHONE ENTERPRISES, INC.

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PART I. FINANCIAL INFORMATION

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

		Three months ended June 30,	Six months ended June 30,	
1998	1997	1998	1997	
(Dollars, except per share amounts, and shares expressed in thousands)				
OPERATING REVENUES				
Telephone	\$ 265,322	120,425	525,135	237,520
Wireless	104,871	74,470	199,037	140,309
Other	18,185	15,681	35,926	31,732
Total operating revenues	388,378	210,576	760,098	409,561
OPERATING EXPENSES				
Cost of sales and operating expenses	185,406	111,830	367,800	217,792
Depreciation and amortization	81,484	36,341	160,678	71,666
Total operating expenses	266,890	148,171	528,478	289,458
OPERATING INCOME	121,488	62,405	231,620	120,103
OTHER INCOME (EXPENSE)				
Gain on sales or exchange of assets, net	25,516	70,121	49,859	70,121
Interest expense	(42,072)	(11,054)	(84,881)	(22,364)
Income from unconsolidated cellular entities	9,066	7,799	15,943	13,379
Minority interest	(4,002)	(1,541)	(6,645)	(1,905)
Other income and expense	691	1,059	1,295	2,293
Total other income (expense)	(10,801)	66,384	(24,429)	61,524
INCOME BEFORE INCOME TAX EXPENSE	110,687	128,789	207,191	181,627
Income tax expense	46,496	45,613	85,306	65,316
NET INCOME	\$ 64,191	83,176	121,885	116,311
=====				
BASIC EARNINGS PER SHARE*	\$.70	.93	1.34	1.29
=====				
DILUTED EARNINGS PER SHARE*	\$.69	.91	1.31	1.28
=====				
DIVIDENDS PER COMMON SHARE*	\$.065	.0617	.13	.1234
=====				
AVERAGE BASIC SHARES OUTSTANDING *	91,281	89,720	91,124	89,627
=====				
AVERAGE DILUTED SHARES OUTSTANDING *	93,352	91,211	93,134	91,133
=====				

* Reflects March 1998 stock split. See Note 5. See accompanying notes to consolidated financial statements.

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

	Three months ended June 30,		Six months ended June 30,	
	1998	1997	1998	1997
(Dollars in thousands)				
Net income	\$64,191	83,176	121,885	116,311
Other comprehensive income, net of tax:				
Unrealized holding gains arising during period, net of tax	1,961	24,565	10,941	24,565
Reclassification adjustment for gains included in net income, net of tax	(5,683)	-	(20,478)	-
Other comprehensive income, net of tax	(3,722)	24,565	(9,537)	24,565
Comprehensive income	\$60,469	107,741	112,348	140,876
=====				

See accompanying notes to consolidated financial statements.

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

	June 30, 1998	December 31, 1997
----- (Dollars in thousands) -----		
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 16,966	26,017
Accounts receivable, less allowance of \$8,287 and \$5,954	187,245	227,272
Materials and supplies, at average cost	23,278	21,994
Other	8,737	8,197
	----- 236,226	----- 283,480
NET PROPERTY, PLANT AND EQUIPMENT	2,236,150	2,258,563
	-----	-----
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired, less accumulated amortization of \$107,664 and \$84,132	1,744,834	1,767,352
Other	438,397	400,006
	----- 2,183,231	----- 2,167,358
	----- \$4,655,607	----- 4,709,401
	=====	=====
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 47,522	55,244
Accounts payable	76,544	83,378
Accrued expenses and other liabilities		
Salaries and benefits	44,096	38,225
Taxes	27,728	74,898
Interest	38,984	20,821
Other	17,367	25,229
Advance billings and customer deposits	27,105	24,213
	----- 279,346	----- 322,008
	-----	-----
LONG-TERM DEBT	2,451,779	2,609,541
	-----	-----
DEFERRED CREDITS AND OTHER LIABILITIES	508,223	477,580
	-----	-----
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 175,000,000 shares, issued and outstanding 91,799,878 and 91,103,674 shares	91,800	91,104
Paid-in capital	483,407	469,586
Accumulated other comprehensive income - unrealized holding gain on investments, net of taxes	2,356	11,893
Retained earnings	837,850	728,033
Unearned ESOP shares	(7,260)	(8,450)
Preferred stock - non-redeemable	8,106	8,106
	----- 1,416,259	----- 1,300,272
	----- \$4,655,607	----- 4,709,401
	=====	=====

See accompanying notes to consolidated financial statements.

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

	Six months ended June 30,	
	1998	1997
(Dollars in thousands)		
COMMON STOCK		
Balance at beginning of period	\$ 91,104 *	59,859
Issuance of common stock for acquisitions	28	-
Conversion of convertible securities into common stock	169	113
Issuance of common stock through dividend reinvestment, incentive and benefit plans	499	180
Balance at end of period	91,800	60,152
PAID-IN CAPITAL		
Balance at beginning of period	469,586 *	474,607
Issuance of common stock for acquisitions	1,059	-
Conversion of convertible securities into common stock	3,131	3,187
Issuance of common stock through dividend reinvestment, incentive and benefit plans	8,350	4,079
Amortization of unearned compensation and other	1,281	338
Balance at end of period	483,407	482,211
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance at beginning of period	11,893	-
Change in unrealized holding gain on investments, net of reclassification adjustment	(9,537)	24,565
Balance at end of period	2,356	24,565
RETAINED EARNINGS		
Balance at beginning of period	728,033	494,726
Net income	121,885	116,311
Cash dividends declared		
Common stock-\$.13 and \$.1234 per share, respectively *	(11,864)	(11,055)
Preferred stock	(204)	(255)
Balance at end of period	837,850	599,727
UNEARNED ESOP SHARES		
Balance at beginning of period	(8,450)	(11,080)
Release of ESOP shares	1,190	1,440
Balance at end of period	(7,260)	(9,640)
PREFERRED STOCK - NON-REDEEMABLE		
Balance at beginning and end of period	8,106	10,041
TOTAL STOCKHOLDERS' EQUITY	\$ 1,416,259	1,167,056

* Reflects March 1998 stock split. See Note 5. See accompanying notes to consolidated financial statements.

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

	Six months ended June 30,	
	1998	1997
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	\$ 121,885	116,311
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	160,678	71,666
Deferred income taxes	25,537	29,667
Income from unconsolidated cellular entities	(15,943)	(13,379)
Minority interest	6,645	1,905
Gain on sales of assets	(49,859)	(70,121)
Changes in current assets and current liabilities:		
Accounts receivable	(20,498)	(15,670)
Accounts payable	(6,834)	(4,187)
Other accrued taxes	(47,170)	5,343
Other current assets and other current liabilities, net	14,240	7,012
Increase in other noncurrent liabilities	5,551	3,382
Other, net	(1,845)	(1,522)
Net cash provided by operating activities	192,387	130,407
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(122,018)	(87,419)
Acquisitions, net of cash acquired	(5,000)	(23,548)
Proceeds from sales of assets	132,307	-
Distributions from unconsolidated cellular entities	11,647	5,723
Purchase of life insurance investment	(5,150)	(11,998)
Other, net	2,386	(2,269)
Net cash provided by (used in) investing activities	14,172	(119,511)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	772,852	28,500
Payments of long-term debt	(938,532)	(28,782)
Payment upon settlement of hedge contracts	(40,237)	-
Payment of deferred debt issuance costs	(6,625)	-
Proceeds from issuance of common stock	8,926	4,258
Cash dividends	(12,068)	(11,310)
Other, net	74	124
Net cash used in financing activities	(215,610)	(7,210)
Net increase (decrease) in cash and cash equivalents	(9,051)	3,686
Cash and cash equivalents at beginning of period	26,017	8,402
Cash and cash equivalents at end of period	\$ 16,966	12,088
Supplemental cash flow information:		
Income taxes paid	\$ 118,364	38,402
Interest paid	\$ 66,718	23,000

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 1998
(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, 1997. Certain 1997 amounts have been reclassified to be consistent with the 1998 presentation.

The unaudited financial information for the three months and six months ended June 30, 1998 and 1997 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, 1998	December 31, 1997
----- (Dollars in thousands) -----		
Telephone, at original cost	\$3,358,280	3,295,860
Accumulated depreciation	(1,473,002)	(1,375,835)
	----- 1,885,278	----- 1,920,025

Wireless, at cost	413,778	380,218
Accumulated depreciation	(155,310)	(133,357)
	----- 258,468	----- 246,861

Corporate and other, at cost	182,771	169,420
Accumulated depreciation	(90,367)	(77,743)
	----- 92,404	----- 91,677

	\$2,236,150	2,258,563
=====		

(3) 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, 1998 and 1997) were accounted for by the equity method.

	Six months ended June 30,	
	1998	1997
----- (Dollars in thousands) -----		
Results of operations		
Revenues	\$ 606,793	607,564
Operating income	\$ 216,062	198,951
Net income	\$ 216,952	199,927

(4) Accounting Pronouncements

In June 1997, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 130 ("SFAS 130"), "Reporting Comprehensive Income" and Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures About Segments of an Enterprise and Related Information." SFAS 130 established standards for reporting the components of comprehensive income, which is defined to include all changes in equity during a period except those resulting from investments by and distributions to shareholders. SFAS 131 established standards for reporting information about operating segments in annual financial statements and interim financial reports to shareholders. The Company adopted both statements in the first quarter of 1998; however, the provisions of SFAS 131 need not be applied to interim periods in the initial year of application. SFAS 131 is not expected to materially impact how the Company currently reports its segment information.

In June 1998, the FASB issued Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 established accounting and reporting standards for derivative instruments and for hedging activities by requiring that entities recognize all derivatives as either assets or liabilities at fair value on the balance sheet. Based on the Company's current use of derivatives, SFAS 133 is not expected to materially impact the Company's financial position or results of operations.

(5) Stock Split

On March 31, 1998, the Company effected a three-for-two common stock split by means of a 50% stock dividend. Shares outstanding and per share data for the six months and three months ended June 30, 1997 have been restated to reflect this stock split.

(6) Debt Issuance

On January 15, 1998, Century issued \$100 million of 7-year, 6.15% senior notes (Series E); \$240 million of 10-year, 6.3% senior notes (Series F); and \$425 million of 30-year, 6.875% debentures (Series G) under its shelf registration statements. The net proceeds of approximately \$758 million (excluding payment obligations of approximately \$40 million related to interest rate hedging effected in connection with the offering) were used to reduce the bank indebtedness incurred by the Company in connection with its December 1, 1997 acquisition of Pacific Telecom, Inc. ("PTI").

In mid-January 1998, the Company settled numerous interest rate hedge contracts that had been entered into in anticipation of these debt issuances. The amounts paid by the Company upon settlement of the hedge contracts aggregated approximately \$40 million, which will be amortized as interest expense over the lives of the underlying debt instruments. The effective weighted average interest rate of the above-mentioned debt (after giving consideration to these payment obligations) is 7.15%. In March 1998 the Company paid approximately \$250,000 upon settlement of its remaining interest rate hedge contracts.

(7) Sale or Exchange of Assets

In connection with the first quarter 1998 acquisition of Brooks Fiber Properties, Inc. ("Brooks") by WorldCom, Inc. ("WorldCom"), the Company's 551,000 shares of Brooks' common stock were converted into approximately 1.0 million shares of WorldCom common stock. The Company recorded such conversion at fair value which resulted in a pre-tax gain of approximately \$22.8 million (\$14.8 million after-tax; \$.16 per diluted share). In the second quarter of 1998, the Company sold 750,000 shares of WorldCom common stock for \$35.6 million cash and recorded a pre-tax gain of \$8.7 million (\$5.7 million after tax; \$.06 per diluted share).

In the second quarter of 1998, the Company sold its minority interests in two non-strategic cellular entities for approximately \$31.0 million cash which resulted in a pre-tax gain of \$21.8 million (\$12.3 million after-tax; \$.13 per diluted share). Additionally, in the second quarter the Company wrote off its minority investment in a start-up company.

During the second quarter of 1998, the Company also sold various other properties that were acquired in the acquisition of PTI on December 1, 1997, including, but not limited to, the Company's submarine cable operations. The Company utilized the proceeds from these transactions to reduce its debt associated with the acquisition of PTI. In accordance with purchase accounting, no gain or loss was recorded upon the disposition of these assets.

During the second quarter of 1997, the Company sold its competitive access subsidiary to Brooks and recorded a pre-tax gain of \$71 million (\$46 million after-tax; \$.50 per diluted share).

(8) Pending Acquisition

On March 12, 1998, the Company entered into definitive agreements to purchase from affiliates of Ameritech Corporation ("Ameritech") the assets of certain of Ameritech's local telephone and directory operations in parts of northern and central Wisconsin, in exchange for approximately \$225 million cash (subject to adjustments). The assets to be purchased include (i) access lines and related property and equipment in 21 predominantly rural communities in Wisconsin which serve approximately 68,000 customers, (ii) Ameritech's directory publishing operations that relate to nine telephone directories serving such customers, and (iii) approximately \$4 million in net receivables. Subject to the satisfaction of various closing conditions, this transaction is expected to be completed in the fourth quarter of 1998.

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, 1997. The results of operations for the three months and six months ended June 30, 1998 are not necessarily indicative of the results of operations which might be expected for the entire year.

Century Telephone Enterprises, Inc. (the "Company"), which operates under the trade name of CenturyTel, is a regional diversified communications company that is primarily engaged in providing local telephone services and cellular telephone communications services. At June 30, 1998, the Company's local exchange telephone subsidiaries operated over 1.2 million telephone access lines primarily in rural, suburban and small urban areas in 21 states, and the Company's majority-owned and operated cellular entities had more than 583,000 cellular subscribers. On December 1, 1997, the Company significantly expanded its operations by acquiring Pacific Telecom, Inc. ("PTI"). As a result of the acquisition, the Company acquired (i) over 660,000 telephone access lines, (ii) over 88,000 cellular subscribers and (iii) various wireless, cable television and other communications assets.

In addition to historical information, management's discussion and analysis includes certain forward-looking statements regarding events and financial trends that may affect the Company's future operating results and financial position. Such forward-looking statements are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Such uncertainties include but are not limited to: the effects of ongoing deregulation in the telecommunications industry; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; the risks inherent in rapid technological change; the Company's ability to effectively manage its growth, including integrating the operations of PTI into the Company's operations; the success and expense of the remediation efforts of the Company and/or its vendors in achieving year 2000 compliance; and the effects of more general factors such as changes in general market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the business are described in greater detail in Item 1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1997. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update any of its forward-looking statements for any reason.

RESULTS OF OPERATIONS

Three Months Ended June 30, 1998 Compared
to Three Months Ended June 30, 1997

Net income (excluding gain on sale or exchange of assets) for the second quarter of 1998 was \$49.5 million compared to \$37.6 million during the second quarter of 1997. Diluted earnings per share (excluding gain on sale or exchange of assets) increased to \$.53 during the three months ended June 30, 1998 from \$.41 during the three months ended June 30, 1997, a 29.3% increase.

	Three months ended June 30,	
	1998	1997
	(Dollars, except per share amounts, and shares in thousands)	
Operating income		
Telephone	\$ 79,954	38,972
Wireless	37,511	21,812
Other	4,023	1,621
	121,488	62,405
Gain on sales or exchange of assets, net	25,516	70,121
Interest expense	(42,072)	(11,054)
Income from unconsolidated cellular entities	9,066	7,799
Minority interest	(4,002)	(1,541)
Other income and expense	691	1,059
Income tax expense	(46,496)	(45,613)
Net income	\$ 64,191	83,176
Diluted earnings per share	\$.69	.91
Average diluted shares outstanding	93,352	91,211

Contributions to operating revenues and operating income by the Company's telephone, wireless, and other operations for the three months ended June 30, 1998 and 1997 were as follows:

	Three months ended June 30,	
	1998	1997
Operating revenues		
Telephone operations	68.3%	57.2
Wireless operations	27.0%	35.4
Other operations	4.7%	7.4
Operating income		
Telephone operations	65.8%	62.5
Wireless operations	30.9%	34.9
Other operations	3.3%	2.6

Telephone Operations		
	Three months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 81,456	33,118
Network access	151,976	72,480
Other	31,890	14,827
	265,322	120,425
Operating expenses		
Plant operations	57,548	24,446
Customer operations	23,033	12,345
Corporate and other	39,225	18,783
Depreciation and amortization	65,562	25,879
	185,368	81,453
Operating income	\$ 79,954	38,972

Telephone operating income increased \$41.0 million (105.2%) due to an

increase in operating revenues of \$144.9 million (120.3%) which more than offset an increase in operating expenses of \$103.9 million (127.6%).

Of the \$144.9 million increase in operating revenues, \$135.9 million was attributable to the properties acquired in the PTI acquisition. The

remaining \$9.0 million increase in revenues was partially due to a \$2.6 million increase in revenues due to increased minutes of use; a \$1.9 million increase in amounts received from the federal Universal Service Fund; a \$1.6 million increase resulting from the increase in the number of customer access lines and a \$1.1 million increase in revenues from the provision of Internet access.

During the second quarter of 1998, operating expenses, exclusive of depreciation and amortization, increased \$64.2 million, of which \$61.0 million was attributable to the properties acquired in the PTI acquisition. The remainder of the increase in operating expenses was due to increases in general operating expenses.

Depreciation and amortization increased \$39.7 million, of which \$37.1 million (which includes \$7.0 million of amortization of excess cost of net assets acquired) was attributable to the properties acquired in the PTI acquisition. The remainder of the increase was primarily due to higher levels of plant in service.

Wireless Operations and Income From Unconsolidated Cellular Entities

	Three months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating income - wireless operations	\$ 37,511	21,812
Minority interest	(4,002)	(1,776)
Income from unconsolidated cellular entities	9,066	7,799
	\$ 42,575	27,835
=====		

The Company's wireless operations (discussed below) reflect 100% of the results of operations of the cellular entities in which the Company has a majority ownership interest. The minority interest owners' share of the income of such entities is reflected in the Company's Consolidated Statements of Income as an expense in "Minority interest." See Minority Interest for additional information. The Company's share of earnings from the cellular entities in which it has less than a majority interest is accounted for using the equity method and is reflected in the Company's Consolidated Statements of Income as "Income from unconsolidated cellular entities." See Income from Unconsolidated Cellular Entities for additional information.

Wireless Operations		
	Three months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating revenues		
Service revenues	\$ 102,766	73,053
Equipment sales	2,105	1,417
	104,871	74,470
Operating expenses		
Cost of equipment sold	3,702	3,456
System operations	14,633	11,071
General, administrative and customer service	20,063	14,263
Sales and marketing	13,791	13,857
Depreciation and amortization	15,171	10,011
	67,360	52,658
Operating income	\$ 37,511	21,812
=====		

Wireless operating income increased \$15.7 million (72.0%) to \$37.5 million in the second quarter of 1998 from \$21.8 million in the second quarter of 1997. Wireless operating revenues increased \$30.4 million (40.8%) while operating expenses increased \$14.7 million (27.9%).

Of the \$29.7 million increase in service revenues, \$22.0 million was attributable to acquisitions consummated since the second quarter of 1997, including \$19.1 million attributable to PTI. The remainder of the increase in cellular service revenues was primarily due to the increase in the number of cellular customers in the Company's incumbent markets. The average number of cellular units in service in majority-owned markets (exclusive of acquisitions) during the second quarter of 1998 and 1997 was 444,300 and 388,300, respectively. Excluding acquisitions, local and toll revenues increased \$5.1 million in the second quarter of 1998 and roaming revenues increased \$2.6 million.

The average monthly cellular service revenue per customer (including acquisitions) declined to \$59 during the second quarter of 1998 from \$63 during the second quarter of 1997 partially due to the continued trend that a higher percentage of new subscribers tend to be lower usage customers. In addition, the properties acquired in the PTI acquisition historically have had a lower average monthly service revenue per customer than the Company's incumbent properties. 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 from current and future wireless communications providers intensify. 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 are likely to 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 other enhancements to its system.

System operations expenses increased \$3.6 million (32.2%) in the second quarter of 1998 primarily due to \$3.6 million of expenses attributable to entities acquired since the second quarter of 1997. A \$1.2 million decrease in the amounts paid to other carriers for cellular service provided to the Company's customers who roam in the other carriers' service areas was offset by a \$1.2 million increase in operating expenses due to an increase in the number of cell sites.

General, administrative and customer service expenses increased \$5.8 million (40.7%), of which \$3.8 million was attributable to expenses of entities acquired. The remainder of the increase was primarily due to a \$1.3 million increase in the provision for doubtful accounts.

The Company's average monthly churn rate (the percentage of cellular customers that terminate service) was 2.0% for the second quarter of 1998 and 2.2% for the second quarter of 1997.

Entities acquired subsequent to the second quarter of 1997 incurred \$2.8 million of sales and marketing expenses in the second quarter of 1998. Commissions paid to agents for selling services to new customers decreased \$3.2 million primarily as a result of fewer cellular units added during the second quarter of 1998 compared to the second quarter of 1997. The Company will continue to focus on attracting and retaining higher usage customers.

Depreciation and amortization increased \$5.2 million (51.5%), of which \$3.5 million was attributable to acquisitions. The remainder of the increase was due primarily to a higher level of plant in service.

Other Operations	Three months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating revenues		
Long distance	\$ 12,338	8,900
Call center	2,349	4,443
Other	3,498	2,338
	18,185	15,681
Operating expenses		
Cost of sales and operating expenses	13,411	13,609
Depreciation and amortization	751	451
	14,162	14,060
Operating income	\$ 4,023	1,621
=====		

Other operations include the results of operations of subsidiaries of the Company which are not included in the telephone or wireless segments, including, but not limited to, the Company's nonregulated long distance and call center operations. The \$3.4 million increase in long distance revenues was primarily attributable to the growth in the number of customers; the \$2.1 million decrease in call center revenues was primarily due to the loss of two major customers. The increase in other revenues was primarily attributable to the PTI acquisition and the acquisition of two security alarm businesses subsequent to the second quarter of 1997.

Operating expenses increased due to (i) an increase of \$2.2 million in expenses of the Company's long distance operations due primarily to an increase in customers and (ii) \$2.0 million of operating expenses applicable to acquisitions. Such increases were substantially offset because (i) the amount of intercompany profit with regulated affiliates which was not eliminated in connection with consolidating the results of operations (which acts to offset operating expenses) increased \$1.8 million as a result of the PTI acquisition, (ii) the second quarter of 1997 included \$1.4 million of costs applicable to entities sold during 1997 and (iii) operating expenses of the Company's call center business decreased \$772,000 primarily due to the loss of two major customers.

Interest Expense

Interest expense increased \$31.0 million in the second quarter of 1998 compared to the second quarter of 1997 primarily due to \$23.2 million of interest expense on the borrowings used to finance the PTI acquisition and \$7.5 million of interest expense applicable to PTI's debt.

Gain on Sales or Exchange of Assets, Net

In the second quarter of 1998, the Company recorded pre-tax gains aggregating \$25.5 million (\$14.7 million after-tax; \$.16 per diluted share) primarily as a result of the sale of 750,000 shares of WorldCom, Inc. ("WorldCom") stock and the sale of minority interests in two non-strategic cellular entities. See Note 7 of Notes to Consolidated Financial Statements for additional information.

In the second quarter of 1997, the Company sold its competitive access subsidiary to Brooks Fiber Properties, Inc. ("Brooks") and recorded a pre-tax gain of \$71 million (\$46 million after-tax; \$.50 per diluted share).

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$1.3 million (16.2%) primarily due to \$2.0 million of earnings from interests in unconsolidated entities acquired in the PTI acquisition. Such increase was partially offset by a \$744,000 decrease in income due to the sale of the Company's minority interests in two non-strategic cellular entities during the second quarter of 1998.

Minority Interest

Minority interest is the expense recorded by the Company to reflect the minority interest owners' share of the earnings or loss of the Company's majority-owned and operated cellular entities and majority-owned subsidiaries. Minority interest increased \$2.5 million primarily due to the increased profitability of the Company's majority-owned and operated cellular entities.

Income Tax Expense

Income tax expense increased \$883,000 in the second quarter of 1998 compared to the second quarter of 1997. The effective income tax rate was 42.0% and 35.4% in the three months ended June 30, 1998 and 1997, respectively. Such increase in the effective income tax rate was primarily due to an increase in non-deductible amortization of excess cost of net assets acquired (goodwill) attributable to the PTI acquisition.

Six Months Ended June 30, 1998 Compared to Six Months Ended June 30, 1997

Net income (excluding gain on sale or exchange of assets) for the first six months of 1998 was \$91.4 million compared to \$70.7 million during the first six months of 1997. Diluted earnings per share (excluding gain on sale or exchange of assets) increased to \$.98 during the six months ended June 30, 1998 from \$.78 during the six months ended June 30, 1997, a 25.6% increase.

	Six months ended June 30,	
	1998	1997
	(Dollars, except per share amounts, and shares in thousands)	
Operating income		
Telephone	\$156,797	79,496
Wireless	67,166	38,349
Other	7,657	2,258
	231,620	120,103
Gain on sales or exchange of assets, net	49,859	70,121
Interest expense	(84,881)	(22,364)
Income from unconsolidated cellular entities	15,943	13,379
Minority interest	(6,645)	(1,905)
Other income and expense	1,295	2,293
Income tax expense	(85,306)	(65,316)
Net income	\$121,885	116,311
Diluted earnings per share	\$ 1.31	1.28
Average diluted shares outstanding	93,134	91,133

Contributions to operating revenues and operating income by the Company's telephone, wireless, and other operations for the six months ended June 30, 1998 and 1997 were as follows:

	Six months ended June 30,	
	1998	1997
Operating revenues		
Telephone operations	69.1%	58.0
Wireless operations	26.2%	34.3
Other operations	4.7%	7.7
Operating income		
Telephone operations	67.7%	66.2
Wireless operations	29.0%	31.9
Other operations	3.3%	1.9

Telephone Operations

	Six months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 159,582	65,306
Network access	303,154	144,022
Other	62,399	28,192
	525,135	237,520
Operating expenses		
Plant operations	114,207	48,042
Customer operations	45,849	22,743
Corporate and other	79,008	36,237
Depreciation and amortization	129,274	51,002
	368,338	158,024
Operating income	\$ 156,797	79,496
=====		

Telephone operating income increased \$77.3 million (97.2%) due to an

increase in operating revenues of \$287.6 million (121.1%) which more than offset an increase in operating expenses of \$210.3 million (133.1%).

Of the \$287.6 million increase in operating revenues, \$270.3 million was attributable to the properties acquired in the PTI acquisition. The remaining \$17.3 million increase in revenues was partially due to a \$4.8 million increase in amounts received from the federal Universal Service Fund; a \$4.5 million increase in revenues due to increased minutes of use; and a \$3.7 million increase resulting from the increase in the number of customer access lines.

During the first six months of 1998, operating expenses, exclusive of depreciation and amortization, increased \$132.0 million, of which \$126.2 million was attributable to the properties acquired in the PTI acquisition. The remainder of the increase in operating expenses was due to increases in general operating expenses.

Depreciation and amortization increased \$78.3 million, of which \$73.5 million (which includes \$13.8 million of amortization of excess cost of net assets acquired) was attributable to the properties acquired in the PTI acquisition. The remainder of the increase was primarily due to higher levels of plant in service.

Wireless Operations and Income From Unconsolidated Cellular Entities

	Six months ended June 30,	
	1998	1997
	(Dollars in thousands)	
Operating income - wireless operations	\$ 67,166	38,349
Minority interest	(6,645)	(3,096)
Income from unconsolidated cellular entities	15,943	13,379
	\$ 76,464	48,632
=====		

The Company's wireless operations (discussed below) reflect 100% of the results of operations of the cellular entities in which the Company has a majority ownership interest. The minority interest owners' share of the income of such entities is reflected in the Company's Consolidated Statements of Income as an expense in "Minority interest." See Minority Interest for additional information. The Company's share of earnings from the cellular entities in which it has less than a majority interest is accounted for using the equity method and is reflected in the Company's Consolidated Statements of Income as "Income from unconsolidated cellular entities." See Income from Unconsolidated Cellular Entities for additional information.

Wireless Operations

	Six months ended June 30,	
	1998	1997

	(Dollars in thousands)	
Operating revenues		
Service revenues	\$ 194,864	137,637
Equipment sales	4,173	2,672
	199,037	140,309
Operating expenses		
Cost of equipment sold	7,398	7,386
System operations	28,885	21,397
General, administrative and customer service	38,444	28,478
Sales and marketing	27,433	25,427
Depreciation and amortization	29,711	19,272
	131,871	101,960
Operating income	\$ 67,166	38,349

Wireless operating income increased \$28.8 million (75.1%) to \$67.2 million in the first six months of 1998 from \$38.3 million in the first six months of 1997. Wireless operating revenues increased \$58.7 million (41.9%) while operating expenses increased \$29.9 million (29.3%).

Of the \$57.2 million increase in service revenues, \$39.7 million was attributable to acquisitions consummated since the second quarter of 1997, including \$34.4 million attributable to PTI. The remainder of the increase in cellular service revenues was primarily due to the increase in the number of cellular customers in the Company's incumbent markets. The average number of cellular units in service in majority-owned markets (exclusive of acquisitions) during the first six months of 1998 and 1997 was 447,000 and 380,400, respectively. Excluding acquisitions, local and toll revenues increased \$12.3 million in the first six months of 1998 and roaming revenues increased \$5.2 million.

The average monthly cellular service revenue per customer (including acquisitions) declined to \$56 during the first six months of 1998 from \$60 during the first six months of 1997 partially due to the continued trend that a higher percentage of new subscribers tend to be lower usage customers. In addition, the properties acquired in the PTI acquisition historically have had a lower average monthly service revenue per customer than the Company's incumbent properties. 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 from current and future wireless communications providers intensify. 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 are likely to 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 other enhancements to its system.

System operations expenses increased \$7.5 million (35.0%) in the first six months of 1998 primarily due to \$7.7 million of expenses attributable to entities acquired since the second quarter of 1997. A \$2.6 million decrease in the amounts paid to other carriers for cellular service provided to the Company's customers who roam in the other carriers' service areas was substantially offset by a \$2.3 million increase in operating expenses due to an increase in the number of cell sites.

General, administrative and customer service expenses increased \$10.0 million (35.0%), of which \$7.7 million was attributable to expenses of entities acquired. The remainder of the increase was primarily due to a \$1.9 million increase in the provision for doubtful accounts.

The Company's average monthly churn rate (the percentage of cellular customers that terminate service) was 2.2% for the first six months of 1998 and 2.3% for the first six months of 1997.

Sales and marketing expenses increased \$2.0 million in the first six months of 1998 primarily due to \$5.3 million of expenses of entities acquired subsequent to the second quarter of 1997 and a \$1.4 million increase in costs incurred in selling products and services in retail locations. Such increases were substantially offset by a \$4.7 million reduction in commissions paid to agents for selling services to new customers primarily as a result of fewer cellular units added during the first six months of 1998 compared to the first six months of 1997. The Company will continue to focus on attracting and retaining higher usage customers.

Depreciation and amortization increased \$10.4 million (54.2%), of which \$6.9 million was attributable to acquisitions. The remainder of the increase was due primarily to a higher level of plant in service.

Other Operations	Six months ended June 30,	
	1998	1997
Operating revenues	(Dollars in thousands)	

Long distance	\$ 23,602	16,746
Call center	4,948	8,211
Competitive access	-	2,499
Other	7,376	4,276
	-----	-----
	35,926	31,732
	-----	-----
Operating expenses		
Cost of sales and operating expenses	26,576	28,082
Depreciation and amortization	1,693	1,392
	-----	-----
	28,269	29,474
	-----	-----
Operating income	\$ 7,657	2,258
	=====	=====

Other operations include the results of operations of subsidiaries of the Company which are not included in the telephone or wireless segments, including, but not limited to, the Company's competitive access subsidiary (which was sold to Brooks in May 1997) and the Company's nonregulated long distance and call center operations. The \$6.9 million increase in long distance revenues was attributable to the growth in the number of customers; the \$3.3 million decrease in call center revenues was primarily due to the loss of two major customers. The increase in other revenues was primarily attributable to the PTI acquisition and the acquisition of two security alarm businesses subsequent to the second quarter of 1997.

Operating expenses decreased because (i) the first six months of 1997 included \$7.3 million of costs applicable to entities sold during the first six months of 1997 and (ii) the amount of intercompany profit with regulated affiliates which was not eliminated in connection with consolidating the results of operations (which acts to offset operating expenses) increased \$4.0 million as a result of the acquisition of PTI. Such decreases were substantially offset by increases in operating expenses due to (i) an increase of \$6.9 million in expenses of the Company's long distance operations due primarily to an increase in customers and (ii) \$3.9 million of operating expenses applicable to acquisitions.

Interest Expense

Interest expense increased \$62.5 million in the first six months of 1998 compared to the first six months of 1997 primarily due to \$46.7 million of interest expense on the borrowings used to finance the PTI acquisition and \$15.2 million of interest expense applicable to PTI's debt.

Gain on Sales or Exchange of Assets, Net

In the first six months of 1998, the Company recorded pre-tax gains aggregating \$49.9 million (\$30.5 million after-tax; \$.33 per diluted share) primarily due to the conversion of its investment in the common stock of Brooks into common stock of WorldCom, the subsequent sale of 750,000 shares of WorldCom stock, and the sale of minority interests in two non-strategic cellular entities. See Note 7 of Notes to Consolidated Financial Statements for additional information.

In the first six months of 1997, the Company sold its competitive access subsidiary to Brooks and recorded a pre-tax gain of \$71 million (\$46 million after tax; \$.50 per diluted share).

Income from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$2.6 million (19.2%) primarily due to earnings of the cellular entities acquired in the PTI acquisition.

Minority Interest

Minority interest is the expense recorded by the Company to reflect the minority interest owners' share of the earnings or loss of the Company's majority-owned and operated cellular entities and majority-owned subsidiaries. Minority interest increased \$4.7 million primarily due to the increased profitability of the Company's majority-owned and operated cellular entities.

Income Tax Expense

Income tax expense increased \$20.0 million in the first six months of 1998 compared to the first six months of 1997 primarily due to an increase in income before taxes. The effective income tax rate was 41.2% and 36.0% in the six months ended June 30, 1998 and 1997, respectively. Such increase in the effective income tax rate was primarily due to an increase in non-deductible amortization of excess cost of net assets acquired (goodwill) attributable to the PTI acquisition.

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 operations have historically provided a stable source of cash flow which has helped the Company continue its long-term program of capital improvements.

Net cash provided by operating activities was \$192.4 million during the first six months of 1998 compared to \$130.4 million during the first six months of 1997. 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, wireless operations, and other operations of the Company, see Results of Operations.

Net cash provided by investing activities was \$14.2 million for the six months ended June 30, 1998. Net cash used in investing activities was \$119.5 million for the six months ended June 30, 1997. Payments for property, plant and equipment were \$34.6 million more in the first six months of 1998 than in the comparable period during 1997. Capital expenditures for the six months ended June 30, 1998 were \$78.1 million for telephone, \$34.3 million for wireless and \$9.6 million for other operations. Proceeds from the sales of assets were \$132.3 million in the first six months of 1998. Cash used in connection with acquisitions was \$23.5 million in the first six months of 1997, substantially all of which was applicable to the acquisition of telephone properties in Wisconsin.

Net cash used in financing activities was \$215.6 million during the first six months of 1998 compared to \$7.2 million during the first six months of 1997. Net payments of long-term debt were \$165.4 million more during the first six months of 1998 compared to the first six months of 1997. During the first six months of 1998, the Company issued an aggregate of \$765 million of senior notes and debentures. The net proceeds of approximately \$758 million were used to reduce the bank indebtedness incurred in connection with the acquisition of PTI. In addition, the Company paid approximately \$40 million to settle numerous interest rate hedge contracts that had been entered into in anticipation of these debt issuances.

Revised budgeted capital expenditures for 1998 total \$220 million for telephone operations, \$67 million for wireless operations and \$42 million for corporate and other operations.

As of June 30, 1998, Century's telephone subsidiaries had available for use \$140.9 million of commitments for long-term financing from the Rural Utilities Service and the Company had \$530.1 million of undrawn committed bank lines of credit.

During the first quarter of 1998, the Company entered into definitive agreements to purchase from affiliates of Ameritech Corporation ("Ameritech") the assets of certain of Ameritech's local telephone and directory operations in parts of northern and central Wisconsin, in exchange for approximately \$225 million cash (subject to adjustments). The Company expects to provide initial financing through its committed credit facilities.

In April 1998 the Company acquired 32 Local Multipoint Distribution System licenses in the Federal Communications Commission's A and B band auction for an aggregate of \$9.7 million. The licenses acquired cover geographic areas with a combined population of approximately 10.6 million. The Company has not finalized capital expenditure or deployment plans for these systems.

OTHER MATTERS

The Company currently accounts for its regulated telephone operations in accordance with the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation." While the ongoing applicability of SFAS 71 to the Company's telephone operations is being monitored due to the changing regulatory, competitive and legislative environments, the Company believes that SFAS 71 still applies. However, it is possible that changes in regulation or legislation or anticipated changes in competition or in the demand for regulated services or products could result in the Company's telephone operations not being subject to SFAS 71 in the near future. In that event, implementation of Statement of Financial Accounting Standards No. 101 ("SFAS 101"), "Regulated Enterprises - Accounting for the Discontinuance of Application of FASB Statement No. 71," would require the write-off of previously established regulatory assets and liabilities, along with an adjustment of certain accumulated depreciation accounts to reflect the difference between recorded depreciation and the amount of depreciation that would have been recorded had the Company's telephone operations not been subject to rate regulation. Such discontinuance of the application of SFAS 71 would result in a material, noncash charge against earnings which would be reported as an extraordinary item. While the effect of implementing SFAS 101 cannot be precisely estimated at this time, management believes that the noncash, after-tax, extraordinary charge would be between \$250 million and \$300 million.

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 on May 7, 1998, the shareholders elected five Class I directors to serve until the 2001 annual meeting of shareholders and until their successors are duly elected and qualified.

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

Class I Nominees -----	For ---	Withheld -----
William R. Boles, Jr.	113,051,782	2,769,665
W. Bruce Hanks	113,136,129	2,685,318
C. G. Melville, Jr.	113,188,120	2,633,327
Glen F. Post, III	113,135,196	2,686,251
Clarke M. Williams	113,050,398	2,771,049

The Class II and Class III directors whose terms continued after the meeting are:

Class II -----	Class III -----
Virginia Boulet	Calvin Czeschin
Ernest Butler, Jr.	F. Earl Hogan
James B. Gardner	Harvey P. Perry
R. L. Hargrove, Jr.	Jim D. Reppond
Johnny Hebert	

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits

11 Computations of Earnings Per Share.

27.1 Financial Data Schedule as of and for the six months ended June 30, 1998.

27.2 Restated Financial Data Schedule as of and for the six months ended June 30, 1997.

B. Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended June 30, 1998.

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 14, 1998

/s/ Murray H. Greer

Murray H. Greer
Controller

(Principal Accounting Officer)

EXHIBIT 11

CENTURY TELEPHONE ENTERPRISES, INC.

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

	Three months ended June 30,		Six months ended June 30,	
	1998	1997	1998	1997
	(Dollars, except per share amounts, and shares expressed in thousands)			
Net income	\$ 64,191	83,176	121,88	116,311
Dividends applicable to preferred stock	(102)	(127)	(204)	(255)
Net income applicable to common stock	64,089	83,049	121,681	116,056
Dividends applicable to preferred stock	102	127	204	255
Interest on convertible securities, net of taxes	93	120	186	240
Net income as adjusted for purposes of computing diluted earnings per share	\$ 64,284	83,296	122,071	116,551
Weighted average number of shares:				
Outstanding during period	91,656	90,158	91,509	90,074
Employee Stock Ownership Plan shares not committed to be released	(375)	(438)	(385)	(447)
Number of shares for computing basic earnings per share	91,281	89,720	91,124	89,627
Incremental common shares attributable to additional dilutive effect of convertible securities	2,071	1,491	2,010	1,506
Number of shares as adjusted for purposes of computing diluted earnings per share	93,352	91,211	93,134	91,133
Basic earnings per share	\$.70	.93	1.34	1.29
Diluted earnings per share	\$.69	.91	1.31	1.28

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES AS OF JUNE 30, 1998 AND THE RELATED UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTH PERIOD THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1998
PERIOD START	JAN 01 1998
PERIOD END	JUN 30 1998
CASH	16,966
SECURITIES	0
RECEIVABLES	124,970
ALLOWANCES	8,287
INVENTORY	23,278
CURRENT ASSETS	236,226
PP&E	3,954,829
DEPRECIATION	1,718,679
TOTAL ASSETS	4,655,607
CURRENT LIABILITIES	279,346
BONDS	2,451,779
PREFERRED MANDATORY	0
PREFERRED	8,106
COMMON	91,800
OTHER SE	1,316,353
TOTAL LIABILITY AND EQUITY	4,655,607
SALES	0
TOTAL REVENUES	760,098
CGS	0
TOTAL COSTS	528,478
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	84,881
INCOME PRETAX	207,191
INCOME TAX	85,306
INCOME CONTINUING	121,885
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	121,885
EPS PRIMARY	1.34
EPS DILUTED	1.31

ARTICLE 5

THIS RESTATED SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES AS OF JUNE 30, 1997 AND THE RELATED UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTH PERIOD THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1997
PERIOD START	JAN 01 1997
PERIOD END	JUN 30 1997
CASH	12,088
SECURITIES	0
RECEIVABLES	69,957
ALLOWANCES	3,131
INVENTORY	6,613
CURRENT ASSETS	125,091
PP&E	1,744,063
DEPRECIATION	604,355
TOTAL ASSETS	2,224,459
CURRENT LIABILITIES	148,214
BONDS	630,232
PREFERRED MANDATORY	0
PREFERRED	10,041
COMMON	60,152
OTHER SE	1,096,863
TOTAL LIABILITY AND EQUITY	2,224,459
SALES	0
TOTAL REVENUES	409,561
CGS	0
TOTAL COSTS	289,458
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	22,364
INCOME PRETAX	181,627
INCOME TAX	65,316
INCOME CONTINUING	116,311
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	116,311
EPS PRIMARY	1.94
EPS DILUTED	1.92

End of Filing

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