

CENTURYTEL INC

FORM 10-K405

(Annual Report (Regulation S-K, item 405))

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

[X] Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 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.

A Louisiana Corporation I.R.S. Employer Identification
No. 72-0651161

100 Century Park Drive, Monroe, Louisiana 71203

Telephone number (318) 388-9500

Securities registered pursuant to Section 12(b) of the Act: Common Stock,
par value \$1.00

Exchange on which registered: New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 [X] No []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

As of February 29, 1996, the aggregate market value of voting stock held by non-affiliates (affiliates being for these purposes only directors, executive officers and holders of more than five percent of the Company's outstanding voting securities) was \$2.0 billion.

As of February 29, 1996, there were 59,339,041 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement prepared in connection with the 1996 annual meeting of shareholders are incorporated in Part III of this Report.

PART I

Item 1. Business

General. Century Telephone Enterprises, Inc. ("Century") is a regional diversified telecommunications company that is primarily engaged in providing traditional telephone services and cellular telephone communications services. For the year ended December 31, 1995, telephone operations and mobile communications operations (cellular operations) provided 65% and 31%, respectively, of the consolidated revenues of Century and its subsidiaries (the "Company"). All of the Company's operations are conducted within the continental United States.

At December 31, 1995, the Company's telephone subsidiaries operated over 480,000 telephone access lines, primarily in rural, suburban and small urban areas in 14 states, with the largest customer bases located in Wisconsin, Louisiana, Michigan and Ohio. According to published sources, the Company is the sixteenth largest local exchange telephone company in the United States based on the number of access lines served.

Whenever used herein with respect to the Company, the term "pops" means the population of licensed cellular telephone markets (based on independent third-party population estimates) multiplied by the Company's proportionate equity interests in the licensed operators thereof. The term "MSA" means a Metropolitan Statistical Area for which the Federal Communications Commission (the "FCC") has granted a cellular operating license. The term "RSA" means a Rural Service Area for which the FCC has granted a cellular operating license. The term "wireline license" refers to the cellular operating license initially reserved by the FCC for companies providing local telephone service in the licensed market and the term "non-wireline license" refers to the license initially reserved for licensees unaffiliated with such local telephone companies.

At December 31, 1995, the Company, through its cellular operations, owned approximately 7.6 million pops in 27 MSAs, primarily concentrated in Michigan, Louisiana, Mississippi and Texas, and 29 RSAs, most of which are in Michigan, Louisiana and Arkansas. The Company is the majority owner and operator in 19 of the MSAs and 18 of the RSAs, which collectively represent 6.4 million pops, and has minority interests in the other MSAs and RSAs, which collectively represent 1.2 million pops. Of the Company's 7.6 million pops, approximately 72% are attributable to the Company's MSA interests, with the balance attributable to its RSA interests. According to data derived from published sources, at September 30, 1995 the Company was the fifteenth largest cellular telephone company in the United States based on the Company's owned pops. At December 31, 1995, the Company's majority-owned and operated cellular systems had more than 290,000 cellular subscribers. Except for five MSAs and two RSAs, all of the cellular systems operated by the Company are operated under wireline licenses.

The Company also provides long distance, operator and interactive services in certain local and regional markets, as well as certain printing and related services, and has recently entered the competitive access business.

Recent Acquisitions and Dispositions. In January 1995 Century acquired Tele-Max, Inc. and its affiliates. In connection with this acquisition, Century acquired approximately 5,300 telephone access lines in a suburban community north of Dallas, Texas and a one-half of one percent interest in the Dallas MSA wireline cellular system (which represented approximately 20,000 pops). In the third quarter of 1995 the Company acquired 100% of the Michigan RSA #4 wireline cellular system, along with the non-wireline cellular systems in Mississippi RSA #2 and Mississippi RSA #6, which, at December 31, 1995, had populations of 131,100, 242,800 and 182,600, respectively. Mississippi RSA #6 is adjacent to the Jackson, Mississippi MSA that the Company operates; Mississippi RSA #2 is located in northeastern Mississippi between Memphis, Tennessee and Birmingham, Alabama. Michigan RSA #4 is located in northeastern Michigan and is adjacent to other markets the Company operates.

In accordance with its strategy of clustering its telephone and cellular businesses, during 1995 the Company sold its ownership interests in several RSAs located primarily in western states and three MSAs located in the midwest, which in the aggregate represented approximately 250,000 pops.

The Company is continually evaluating the possibility of acquiring additional telephone access lines and cellular interests in exchange for cash, securities or both. Although the Company's primary focus will continue to be on acquiring telephone and cellular interests that are proximate to its properties or that serve a customer base large enough for the Company to operate efficiently, other communications interests may also be acquired.

Other. As of December 31, 1995, the Company employed approximately 3,100 persons, of which approximately 200 employees located in Ohio are covered by a three-year collective bargaining agreement between the Company and the Communications Workers of America. The agreement lapses on March 30, 1997.

Century was incorporated under Louisiana law in 1968 to serve as a holding company for several telephone companies acquired over the previous 15 to 20 years. Century's principal executive offices are located at 100 Century Park Drive, Monroe, Louisiana 71203 and its telephone number is (318) 388-9500.

TELEPHONE OPERATIONS

The Company is the sixteenth largest local exchange telephone company in the United States, based on the more than 480,000 access lines it served at December 31, 1995. Currently, the Company operates over 500 central office and remote switching centers in its telephone operating areas. Over the past decade, Century has installed digital switching platforms throughout most of its switching network. At December 31, 1995,

99% of Century's total access lines were digitally switched. Through its operating telephone subsidiaries, Century provides services to predominately rural, suburban and small urban markets in 14 states. The table below sets forth certain information with respect to Century's access lines as of December 31, 1995:

State	Number of access lines	Percent of access lines	Percent digital
Wisconsin	101,119	21%	100%
Louisiana	87,733	18	100
Michigan	83,657	18	100
Ohio	72,719	15	100
Arkansas	39,185	8	100
Texas	37,434	8	100
Tennessee	22,514	5	100
Mississippi	14,635	3	100
Colorado	6,370	1	100
New Mexico	4,927	1	74
Indiana	4,734	1	100
Idaho	4,051	1	100
Arizona	1,503	0	0
Iowa	176	0	100
	480,757	100%	99%

As indicated in the following table, Century has experienced growth in its telephone operations over the past several years, a substantial portion of which was attributable to acquisitions of other telephone companies and to the expansion of services:

	Year Ended or As of December 31,				
	1995	1994	1993	1992	1991
	(Dollars in thousands)				
Access lines	480,757	454,963	434,691	397,300	314,819
% Residential	78%	79	80	81	81
% Business	22%	21	20	19	19
Operating revenues	\$ 419,242	391,265	350,330	298,812	236,408
Capital expenditures	\$ 136,006	152,336	131,180	108,974	73,913

Future growth in telephone operations is expected to be derived from (i) acquiring additional telephone companies, (ii) providing service to new customers, (iii) increasing network usage and (iv) providing additional services made possible by advances in technology and changes in regulation. For information on developing competitive trends, see "-Regulation and Competition."

Services

The Company's telephone subsidiaries derive revenue from providing (i) local telephone services, (ii) network access and long distance services and (iii) other related services. The following table reflects the percentage of telephone operating revenues derived from these respective services:

	1995	1994	1993
Local service	26.6%	25.6	25.3
Network access and long distance	61.7	62.3	62.0
Other	11.7	12.1	12.7
	100.0%	100.0	100.0

Local service revenues are generated by the provision of local exchange telephone services in the Company's franchised service areas.

Network access and long distance revenues primarily relate to services provided by the Company to interexchange carriers (long distance carriers) in connection with the use of the Company's facilities to originate and complete interstate and intrastate long distance telephone calls. Most of the Company's interstate network access revenues are derived through pooling arrangements administered by the National Exchange Carrier Association ("NECA"). The NECA receives access charges billed by the Company and other participating local exchange carriers ("LECs") to interstate long distance carriers and other LEC customers for their use of the local exchange network to complete long distance calls and subsequently distributes these revenues to such LECs based primarily on cost separation studies. The charges billed to the long distance carriers and other LEC customers are based on tariffed access rates filed with the FCC by the NECA on behalf of the Company and other participating LECs. Interstate revenues as a percentage of telephone operating revenues amounted to 34.6%, 33.5% and 32.0% in 1995, 1994 and 1993, respectively.

Certain of the Company's intrastate network access revenues are derived through access charges billed by the Company directly to intrastate long distance carriers and other LEC customers. Such intrastate network access charges are based on access tariffs which are subject to state regulatory commission approval. Additionally, certain of the Company's intrastate network access revenues, along with intrastate long distance revenues, are derived through state pooling arrangements and are determined based on cost separation studies or special settlement arrangements.

The installation of digital switches and related software has been an important component of the Company's growth strategy because it allows the Company to offer enhanced services (such as call forwarding, conference calling, caller identification, selective call ringing and call waiting) and to thereby increase utilization of existing access lines. In 1995 and early 1996, the Company continued to expand its list of premium services (such as voice mail and internet access) offered in certain service areas and aggressively marketed these services.

The Company is installing fiber optic cable in high traffic routes in certain areas in which it operates and has provided alternative routing of telephone service over fiber optic cable networks in several of its strategic operating areas. At December 31, 1995, the Company had over 2,000 miles of fiber optic cable in place.

Other revenues include revenues related to (i) leasing, selling, installing, maintaining and repairing customer premise telecommunications equipment and wiring, (ii) providing billing and collection services for interexchange carriers, (iii) leasing network facilities and (iv) participating in the publication of local directories. Certain large telecommunications companies for which the Company currently provides billing and collection services continue to indicate their desire to reduce their billing and collection expenses, which is expected to result in future reductions of billing and collection revenues.

For further information on the regulation of the Company's revenues, see "-Regulation and Competition."

Federal Financing Programs

Certain of the Company's telephone subsidiaries receive long-term financing from the Rural Utilities Service ("RUS") and the Rural Telephone Bank ("RTB"). The RUS has made long-term loans to telephone companies since 1949 for the purpose of improving telephone service in rural areas. The RUS continues to make new loans at interest rates that range from 5% to 7% based on borrower qualifications and the cost of money to the United States government. The RTB, established in 1971, makes long-term loans at interest rates based on its average cost of funds as determined by statutory formula (such rates ranged from 6.04% to 6.88% for the fiscal year ended September 30, 1995), and in some cases makes loans concurrently with RUS loans. Most of the Company's telephone plant is pledged or mortgaged to secure obligations of the Company's telephone subsidiaries to the RUS and RTB. The Company's telephone subsidiaries which have borrowed from government agencies generally may not loan or advance any funds to Century, but may pay dividends if certain financial ratios are met.

For additional information regarding the Company's financing, see the Company's consolidated financial statements included in Item 8 herein.

Regulation and Competition

Traditionally, LECs have operated as regulated monopolies. Consequently, the majority of the Company's telephone operations are regulated extensively by various state regulatory agencies (generally called public service commissions or public utility commissions) and by the FCC. As discussed in greater detail below, passage of the Telecommunications Act of 1996 (the "1996 Act"), coupled with state legislative and regulatory initiatives and technological changes, has fundamentally altered the telephone industry by reducing the regulation of LECs and permitting competition in each segment of the telecommunications industry. Although Century anticipates that these trends towards reduced regulation and increased competition will continue, the form and degree of future regulation and competition in the Company's franchised service areas cannot be ascertained at this time.

State Regulation. The local service rates and intrastate access charges of substantially all of the Company's telephone subsidiaries are regulated by state regulatory commissions that traditionally have regulated pricing through "rate of return" regulation that focuses on authorized levels of earnings by LECs. Most of these commissions also (i) regulate the purchase and sale of LECs, (ii) prescribe depreciation rates and certain accounting procedures and (iii) regulate various other matters, including certain service standards and operating procedures. In certain states, construction and/or financing plans are also subject to regulatory approval.

In recent years, Ohio, Michigan, Wisconsin, Louisiana and other state legislatures and regulatory commissions having jurisdiction over the Company's telephone subsidiaries have either begun to reduce the regulation of LECs or have announced their intention to review such regulation, and it is expected that this trend will continue. This reduced regulatory oversight of certain of the Company's telephone operations may allow the Company to offer new and competitive services faster than under the traditional regulatory process. Coincident with these efforts is the introduction of competition into traditionally monopolistic segments of the industry. For a discussion of legislative, regulatory and technological changes that have introduced competition into the local exchange industry, see "-Developments Affecting Competition."

Substantially all of the state regulatory commissions have statutory authority, the specific limits of which vary, to initiate and conduct earnings reviews of the LECs that they regulate. As part of the movement towards deregulation, several states are moving away from traditional rate of return regulation towards price cap regulation and incentive regulation (which are similar to the FCC regulations discussed below), and are actively encouraging larger LECs to adopt these newer forms of price regulation. The continuation of this trend may lead to fewer earnings reviews in the future. Currently, however, most of the Company's LECs continue to be regulated under rate of return regulation. During 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. For additional information, see Regulation and Competition in Item 7 herein. As stated in Item 7, 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. In addition, there is no assurance that future reviews, in Louisiana or in other states, will not lead to future revenue reductions or customer refunds. Also, in light of the movement away from traditional rate of return regulation, no assurance can be given that the Company's LECs will continue to earn the same rate of return that they achieved in recent years.

FCC Regulation. The FCC regulates the interstate services provided by the Company's telephone subsidiaries primarily by regulating the interstate access charges that are billed to interexchange carriers and other LEC customers by the Company for use of its local network in connection with the origination and termination of interstate telephone calls. Additionally, the FCC has prescribed certain rules and regulations for telephone companies, including regulations regarding the use of radio frequencies; a uniform system of accounts; and rules regarding the separation of costs between jurisdictions and, ultimately, between services.

Effective January 1, 1991, the FCC adopted price-cap regulation relating to interstate access rates for the Regional Bell Operating Companies ("RBOCs") and GTE Corporation. An annual opportunity to elect price-cap regulation is available for other LECs. Under price-cap regulation, limits imposed on a company's interstate rates will be adjusted periodically to reflect inflation, productivity improvement and changes in certain non-controllable costs. In May 1993 the FCC adopted an optional incentive regulatory plan for LECs not subject to price-cap regulation. A LEC electing the optional incentive regulatory plan would, among other things, file tariffs based primarily on historical costs and not be allowed to participate in the relevant NECA pooling arrangements. The Company has not elected price-cap regulation or the incentive regulatory plan, but will continue to evaluate its options on a periodic basis. Consequently, the authorized interstate access rate of return for the Company's telephone subsidiaries is 11.25%, which is the authorized rate established by the FCC for LECs not governed by price-cap regulation or the optional incentive regulatory plan.

In February 1996 the FCC sought public comments on whether it should initiate a rate of return represetation proceeding for LECs that are subject to rate of return regulation for interstate access revenues.

High-Cost Support Funds, Revenue Pools and Related Matters. A significant number of the Company's telephone subsidiaries recover a portion of their costs under federal and state cost recovery mechanisms that traditionally have allowed LECs serving small communities and rural areas to provide access to telecommunications services reasonably comparable to those available in urban areas and at reasonably comparable prices.

The FCC and certain state regulatory commissions have recently explored or implemented initiatives to evaluate or reduce the funding of certain of these cost recovery mechanisms. In December 1993 the FCC adopted interim provisions which placed certain limitations on the FCC's Universal Service Fund ("USF") growth rate, including a cap which has been extended through mid-1996. The Company anticipates that revenues from the USF under these interim provisions will continue to increase in the near term, but at a lesser percentage rate than that associated with recent prior periods. In July 1995 the FCC sought comments on proposals and policy changes relating to certain federal high-cost assistance mechanisms that provide substantial revenues to the Company, including the USF. 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.

In February 1996 the United States Congress enacted the 1996 Act which provides, among other things, that a federal-state joint board review existing universal service support mechanisms and recommend changes to the FCC regulations in order that such regulations will be consistent with the universal service principles in the 1996 Act. The 1996 Act provides that all telecommunications carriers providing interstate services shall contribute to universal service support mechanisms. The 1996 Act provides that only eligible telecommunications carriers designated by a state shall be eligible to receive specific federal universal service support and that any eligible telecommunications carrier that receives such support shall only use that support to provide, maintain and upgrade facilities and services for universal service in the area for which the support is received. Although the Company anticipates that the FCC's proposed rulemaking and the 1996 Act may result in a reduction of its federal support revenues, management believes it is premature to assess or estimate the ultimate impact thereof. There can be no assurance, however, that such impact will not be material.

Some of the Company's telephone subsidiaries operate in states where traditional cost recovery mechanisms, including rate structures, are under evaluation or have been modified. There can be no assurance that these states will continue to provide for cost recovery at current levels.

Certain revenues determined under the FCC's cost separation rules are affected by the number of access lines served by a specific telephone company. During 1995 the customer base of one of the Company's telephone subsidiaries in Michigan increased above 50,000 access lines, which resulted in a decrease in revenues of approximately \$700,000. An additional decrease in revenues of that subsidiary of approximately \$500,000 is expected in 1996. In addition, in early 1996 another of the Company's telephone subsidiaries reached 50,000 access lines and it is anticipated that revenues for that subsidiary will decrease approximately \$1.5 million in 1996 as a result thereof.

Most of the Company's LECs concur with the common line and traffic sensitive tariffs filed by the NECA and participate in the access revenue pools administered by the NECA for interstate services. All of the long distance and intrastate network access revenues of the Company's LECs are based on access charges, cost separation studies or special settlement arrangements. See "-Services."

Certain long distance carriers continue to request that certain of the Company's LECs reduce access tariffed rates. There is no assurance that these requests will not result in decreased access revenues.

Developments Affecting Competition. The communications industry is currently undergoing fundamental changes which may have a significant impact on the future operations and financial performance of telecommunications companies. Primarily as a result of legislative and regulatory initiatives and technological changes, competition has been introduced and encouraged in each sector of the telephone industry, including, most recently, local service. As a result, the number of companies offering competitive services has increased.

As indicated above, in February 1996 Congress enacted the 1996 Act, which obligates LECs to permit competitors to interconnect their facilities to the LEC's network and to take various other steps that are designed to lower barriers of entry to competitors. The 1996 Act imposes a general duty to interconnect with other telecommunications carriers and to forego the installation or implementation of network features or functions that do not comply with guidelines and standards established under the 1996 Act. The 1996 Act imposes several duties on a LEC if it receives a specific request from another entity which seeks to connect with or provide services using the LEC's network. These include the duties (i) not to prohibit resale of its service, (ii) to provide number portability, (iii) to provide dialing parity, (iv) to afford access to poles, ducts, conduits, and rights-of-way, and (v) to establish reciprocal compensation arrangements for the transport and termination of traffic. In addition, each incumbent LEC is obligated to (i) negotiate interconnection agreements in good faith, (ii) provide "unbundled" access to all aspects of the LEC's network, (iii) offer resale of its telecommunications services at wholesale rates and (iv) permit competitors to collocate its physical plant on the LEC's property, or provide virtual collocation if physical collocation is not practicable. Under the 1996 Act's rural telephone company exemption, all of the Company's telephone subsidiaries will be exempt from the foregoing itemized obligations of incumbent LECs until such time as the state regulatory commission with jurisdiction over any such company receives notice that a bona fide request has been presented to such company for interconnection, services or network elements and such commission determines that the request is technically feasible, not unduly economically burdensome and is consistent with the universal service provisions contained in the 1996 Act. Facility interconnection charges are required to be based on cost (to be determined without a rate-of-return or other rate-based proceeding) and may include a reasonable profit. The 1996 Act provides that each LEC, to the extent that it provides wireline services, shall have a statutory duty to provide equal access and nondiscrimination to interexchange carriers and information service providers. The 1996 Act requires the FCC to adopt regulations to implement the provisions contained therein. Management believes that the 1996 Act will ultimately increase competition in its franchised telephone service areas, although the form and degree of competition cannot be ascertained until such time as the FCC (and, in certain instances, state regulatory commissions) adopts implementing regulations.

Of the 14 states in which the Company provides telephone services, most (including Wisconsin, Louisiana, Ohio and Michigan) have taken legislative or regulatory steps to introduce competition into the local exchange business. Largely as a result thereof, several well-established interexchange carriers and cable television companies have accelerated their development of networks and facilities designed to provide local exchange services, principally in larger cities. A cable company has requested authorization to provide local exchange service in a portion of the Company's franchised service area in Ohio, and it is anticipated that similar action may be taken by others in the Company's franchised service areas. States can, if they so desire, introduce more competition than is authorized under the 1996 Act.

Competition from competitive access providers and others has increased and is expected to continue to increase. Competitive access providers, which originally were formed in the 1980's to provide redundancy services, now provide access competition with LECs in most larger urban areas, principally by targeting large business customers. With the passage of the 1996 Act, competitive access providers are expected to be active competitors to provide local telephone service. Although there has been activity by competitive access providers in certain of the Company's operating areas, such activity has thus far not significantly affected the Company. The Company expects to increasingly face competition from competitive access providers in its operating areas located near larger urban areas and may face similar competition in its other operating areas.

In addition to receiving services directly from competitive access providers, interexchange carriers and other users of toll service may seek other means to bypass LECs' switching services and local distribution facilities, particularly if services are not strategically priced. There are several ways which users of toll service may bypass the Company's switching services. First, users may construct, modify or lease facilities to transmit their traffic directly to an interexchange carrier. Cable television companies, in particular, may be able to modify their networks to partially or completely bypass the Company's local network. Also, certain interexchange carriers provide services which allow users to divert their traffic from LECs' usage-sensitive services to their flat-rate services. In addition, users may choose to use mobile communications services or, in the future, companies providing competitive local exchange services, to bypass LECs' switching services. Within the past few years, each of the three largest interexchange carriers in the United States has acquired or sought to acquire interests in mobile communications companies, presumably in part to obtain bypass capabilities. Although certain of the Company's telephone subsidiaries have experienced a loss of traffic to such bypass, the Company believes that the impact of such loss on revenues has not been significant. The Company and the LEC industry are seeking to address bypass principally by adopting flexible pricing of access services where appropriate and to the extent permitted by regulatory agencies. No assurance can be given as to the ultimate outcome of these efforts.

Currently, cellular communications services complement traditional LEC services. However, as the mobile communications industry continues to mature, the Company anticipates that existing and emerging mobile communications technologies will increasingly compete with traditional LEC services. Technological and regulatory developments in cellular telephone, personal communications services, digital microwave, coaxial cable, fiber optics and other wired and wireless technologies are expected to further permit the development of alternatives to traditional landline services. For further information on certain of these developments, see "Mobile Communications Operations - Regulation and Competition."

In connection with the well-publicized convergence of telecommunications, cable, video, computer and entertainment businesses, several large companies have announced plans to offer products that would significantly enhance current communications and data transmission services and, in some instances, introduce new two-way video, entertainment, data, consumer and other multimedia services. Other companies with wireline experience (including electric utilities) are expected to explore opportunities in this market, along with wireless companies and other

emerging technology companies. For information on the effects of these developments on the Company's cellular operations, see "Mobile Communications Operations - Regulation and Competition."

To the extent that the telephone industry increasingly experiences competition, the size and resources of each respective competitor may increasingly influence its prospects. Many companies currently providing or planning to provide competitive telecommunication services have substantially greater assets and resources than the Company, and several are not subject to the same regulatory constraints as the Company. Moreover, several of these companies have completed business combinations or formed joint ventures or alliances to better prepare themselves for competition.

The Company anticipates that the traditional operations of LECs will be increasingly impacted by continued technological developments as well as legislative and regulatory initiatives affecting the ability of LECs to provide new services and the capability of cable television companies, interexchange carriers, competitive access providers and others to provide competitive LEC services. The Company intends to actively monitor these developments, to observe the effect of emerging competitive trends in initial competitive markets (which are expected to be large urban areas) and to continue to evaluate new business opportunities that may arise out of future technological, legislative and regulatory developments. Although competition relating to services traditionally provided solely by LECs is expected to initially affect large urban areas to a greater extent than rural, suburban and small urban areas such as those in which the Company operates, there is no assurance that these developments will not have an adverse effect on the Company in the future.

MOBILE COMMUNICATIONS OPERATIONS

According to data derived from published sources, at September 30, 1995 the Company was the fifteenth largest cellular telephone company in the United States based on the Company's owned pops. The number of pops owned by a cellular operator does not represent the number of users of cellular service and is not necessarily indicative of the number of potential subscribers. Rather, this term is frequently used as a basis for comparing the size of cellular system operators. At December 31, 1995, the Company owned approximately 7.6 million pops, of which 72% were applicable to MSAs and 28% were RSA pops.

Cellular Industry

The cellular telephone industry has been in existence for just over ten years in the United States. Although the industry is relatively new, it has grown significantly during this period and cellular service is now available in substantially all areas of the United States. According to the Cellular Telecommunications Industry Association, in June 1995 there were estimated to be over 28 million cellular customers across the United States.

Cellular mobile telephone service is capable of high-quality, high-capacity communications to and from vehicle-mounted and hand-held radio telephones. Cellular systems, if properly designed and equipped, are capable of handling thousands of calls at any given time and are capable of providing service to tens of thousands of subscribers in a market.

In a cellular telephone system, the licensed service area is subdivided into geographic areas, or cells. Each cell has its own transmitter and receiver that communicates by radio signal with cellular telephones located within the cell. Each cell is connected by a telephone circuit or microwave to a Mobile Telephone Switching Office ("MTSO"), which in turn is connected to the worldwide telephone network.

Communications within a cellular system are controlled by the MTSO through a transfer process as a cellular telephone user moves from one cell to another. In this process, when the signal strength of a call declines to a predetermined level, the MTSO determines if the signal strength from an adjacent cell is greater and, if so, transfers the call to the adjacent cell. Software which facilitates the transfer between adjacent cells of different cellular systems using equipment of different manufacturers has been implemented by the Company.

Cellular telephone systems have high subscriber capacity because of the substantial frequency spectrum allocated to these systems by the FCC and because frequencies can be reused throughout the system. Frequency reuse is possible because the transmission power of cell site equipment and mobile units is relatively low. Therefore, signals on the same channel will not interfere with each other if they are transmitted in cells that are sufficiently far apart. Reuse multiplies the capacity of channels available to the system operator and thereby increases the telephone calling capacity.

Until recently, substantially all radio transmissions of cellular systems were conducted on an analog basis. Technological developments involving the application of digital radio technology offer certain advantages over analog technologies, including expanding the capacity of mobile communications systems, improving voice clarity, permitting the introduction of new services, and making such systems more private. Providers of certain services competitive with cellular are currently incorporating digital technology into their operations, and are expected to continue to do so in the future. In recent years certain cellular carriers have begun to install digital cellular voice transmission facilities in certain larger markets. See "-Regulation and Competition-Developments Affecting Mobile Communications Competition."

Construction and Maintenance

The construction and maintenance of cellular systems is capital intensive. Although all of the Company's MSA and RSA systems are operational, the Company has continued to add cell sites to increase coverage, provide additional capacity and improve the quality of these systems. In 1995 the Company completed construction of 41 cell sites in markets operated by the Company.

During the last few years the Company upgraded certain portions of its cellular systems to be capable of providing digital service in the future; the Company currently plans to implement digital service in certain markets during 1996 using the TDMA digital standard. The Company will continue to monitor the development and implementation of this technology to determine when it will become beneficial for the Company to install digital voice transmission facilities in other markets. See "-Regulation and Competition-Developments Affecting Mobile Communications Competition." Total capital expenditures related to majority-owned cellular systems operated by the Company were approximately \$42 million in 1995 and are anticipated to be approximately \$61 million in 1996.

Strategy

The Company's business development strategy for its cellular telephone operations is to secure operating control of service areas that are geographically clustered. Clustered cellular systems aid the Company's marketing efforts and provide various operating and service advantages. Approximately 51% of the Company's pops in markets operated by the Company are in a single, contiguous cluster of eight MSAs and seven RSAs in Michigan; another 19% are in a cluster of five MSAs and seven RSAs in northern and central Louisiana, southern Arkansas and eastern Texas. See "-The Company's Cellular Interests."

Another component of the Company's strategy for cellular operations includes capturing revenues from roaming service. Roaming service revenues are derived from calls made in one cellular service area by subscribers from other service areas. Roaming service is made possible by technical standards requiring that cellular telephones be functionally compatible with the cellular systems in all United States market areas. The Company charges premium rates (compared to rates charged to the Company's customers) for roaming service provided to most non-Company customers. The Company's Michigan cellular properties include a significant portion of the interstate highway corridor between Chicago and Detroit; its Louisiana properties include an east-west interstate highway and a north-south interstate highway which intersect in its Louisiana cellular service area; and its Mississippi properties include two east-west interstate highways, one of which intersects with a north-south interstate highway in Jackson, Mississippi.

Marketing

The Company markets its cellular services through several distribution channels, including independent agents, its direct sales force and retail outlets owned by the Company and others. The Company's cellular sales force consists of almost 300 independent agents, which generate a significant majority of the Company's new subscribers, and over 200 sales employees. Each sales employee and independent agent solicits cellular customers exclusively for the Company. Company sales employees are compensated by salary and commission and independent sales agents are paid commissions. The Company advertises its services through various means, including direct mail, billboard, magazine, radio, television and newspaper advertisements.

The sales and marketing costs of obtaining new subscribers are substantial. The Company not only has to pay for advertising, but also incurs a direct expense for most new subscribers, either in the form of a commission payment to an agent or a salary/incentive payment to a direct sales person. In addition, the Company discounts the cost of cellular telephone equipment, and periodically runs promotions which provide some amount of initial activation, access or airtime free to new subscribers. Although the Company has continued to lower the cost of acquisition per subscriber, it remains one of the largest expenses in conducting the Company's cellular operations.

During 1994 AT&T Corp. completed its acquisition of McCaw Cellular Communications, Inc., the largest cellular provider in the United States, and has begun to market McCaw's service under the AT&T brand name. The Company competes with AT&T in four of the MSAs it operates and several of its operated RSAs.

Services, Customers and System Usage

There are a number of different types of cellular telephones, all of which are currently compatible with cellular systems nationwide. The Company sells a full range of vehicle-mounted, transportable, and hand-held portable cellular telephones. Features offered in the cellular telephones sold by the Company include hands-free calling, repeat dialing, horn alert and others.

The Company charges its subscribers for access to its systems, for minutes of use and for enhanced services, such as voice mail. A subscriber may purchase certain of these services separately or may purchase rate plans which bundle these services in different ways and are designed to fit different calling patterns. While the Company historically has typically charged its customers separately for custom-calling features, air time in excess of the packaged amount, and toll calls, recently it has begun to offer plans which include features such as unlimited toll calls and unlimited weekend calling in certain calling areas. Custom-calling features provided by the Company include call-forwarding, call-waiting, three-way calling and no-answer transfer. The Company offers voice message service in many of its markets. This service, which functions like a sophisticated answering machine, allows customers to receive messages from callers when they are not available to take calls.

Cellular customers come from a wide range of occupations. They typically include a large proportion of individuals who work outside of their office, such as employees in the construction, real estate, wholesale and retail distribution businesses, and professionals. More customers are selecting portable and other transportable cellular telephones as these units become more compact and fully featured, as well as more attractively priced. It is anticipated that average revenue per customer may continue to decline (i) as market penetration increases and additional lower usage customers are activated and (ii) as competitive pressures intensify and place additional pressure on rates. See "-Regulation and Competition."

Most cellular systems allow a customer to place or receive a call in a cellular service area away from the customer's home market area. The Company has entered into "roaming agreements" with operators of other cellular systems covering virtually all markets in the United States; such agreements offer the Company's customers the opportunity to roam in these markets. Also, a customer of a participating non-Company system traveling in a market operated by the Company where this arrangement is in effect is able to automatically make calls on the Company's system. The charge to a non-Company customer for this service is typically at premium rates, and is billed by the Company to the customer's home system, which then bills the customer. Occasionally, the Company will enter into reciprocal agreements with other cellular carriers to settle roaming usage at a rate different from such premium rates. In some instances, based on competitive factors and financial considerations, the Company charges a lower amount to its customers than the amount actually charged by the servicing cellular carrier for roaming. The Company anticipates that competitive factors and industry consolidation may place further pressure on charging premium roaming rates. For additional information on roaming revenue, see "-Strategy."

Roamer fraud remains a cellular industry problem. Roamer fraud occurs when cellular telephone equipment is programmed to conceal the true identity and location of the user. While the Company and the industry have implemented extensive fraud control processes, they have not been able to eliminate roamer fraud.

During recent years, the Company's cellular subsidiaries experienced strong subscriber growth in the fourth quarter, primarily due to increased holiday season sales. According to the Cellular Telecommunications Industry Association, industry-wide cellular sales have been seasonally strong in the fourth calendar quarter for the past several years.

The following table summarizes, among other things, certain information about the Company's customers and market penetration:

	Year Ended or At December 31,		
	1995	1994	1993
Majority-owned and operated MSA and RSA systems (Note 1):			
Cellular systems operated	33	31	26
Total population of systems operated (Note 2)	6,877,598	6,359,699	5,015,463
Customers (Note 3):			
At beginning of period	211,710	116,484	73,084
Additions	139,836	110,636	62,564
Net acquisitions/dispositions	8,699	30,743	-
Disconnects	70,170	46,153	19,164
At end of period	290,075	211,710	116,484
Market penetration at end of period (Note 4)	4.22%	3.33	2.32
Churn rate (Note 5)	2.39%	2.29	1.75
Average monthly cellular service revenue per customer	\$ 66	69	71
Construction expenditures (in thousands)	\$ 41,990	39,937	56,070
All operated MSA and RSA systems (Note 6):			
Cellular systems operated	37	36	31
Total population of systems operated (Note 2)	7,721,569	7,445,571	6,084,794
Customers at end of period (Note 7)	313,430	227,140	124,908
Market penetration at end of period (Note 8)	4.06%	3.05	2.05

Notes:

1. Represents the number of systems in which the Company owned at least a 50% interest. The revenues and expenses of these cellular markets, all of which are operated by the Company, are included in the Company's consolidated operating revenues and operating expenses.

2. Based on independent third-party population estimates for each respective year.

3. Represents the approximate number of revenue-generating cellular telephones served by the cellular systems referred to in note 1.

4. Computed by dividing the number of customers at the end of the period by the total population of systems referred to in note 1.

5. Represents the average percentage of customers that disconnect on a monthly basis.

6. Represents the total number of systems that the Company operated, including systems in which it does not own a majority interest.

7. Represents the approximate number of revenue-generating cellular telephones served by the cellular systems referred to in note 6.

8. Computed by dividing the number of customers at the end of the period by the total population of systems referred to in note 6.

The Company's Cellular Interests

The Company obtained the right to provide cellular service through (i) the FCC's licensing process described below, under which it received interests in wireline licenses, and (ii) its acquisition program, under which it has acquired interests in both wireline and non-wireline licenses. The table below sets forth certain information with respect to the interests in cellular systems that the Company owned as of December 31, 1995:

	1995 population (Note 1)	Ownership percentage	Company's pops at December 31, 1995	cellular operator (Note 2)

Majority-owned and operated MSAs				
Grand Rapids, MI	734,501	97.00%	712,466	AirTouch
Lansing, MI	498,597	97.00	483,639	AirTouch
Saginaw, MI	402,929	91.70	369,486	AirTouch
Kalamazoo, MI	305,095	97.00	295,942	Centennial
Battle Creek, MI	193,878	97.00	188,062	Centennial
Muskegon, MI	187,884	97.00	182,247	AirTouch
Benton Harbor, MI	161,966	97.00	157,107	Masters Cellular
Jackson, MI	153,977	97.00	149,358	Centennial
Shreveport, LA	379,525	62.00	235,306	AT&T
Alexandria, LA	144,396	100.00	144,396	Centennial
Monroe, LA	147,395	62.00	91,385	AT&T
Jackson, MS (Note 4)	416,071	87.33	363,354	MCTA
Biloxi-Gulfport, MS (Note 4)	229,730	92.83	213,249	Cellular South
Pascagoula, MS (Note 4)	126,963	85.90	109,065	Cellular South
LaCrosse, WI	101,785	95.00	96,696	U. S. Cellular
Pine Bluff, AR	83,975	100.00	83,975	AT&T
McAllen-Edinburg-Mission, TX (Note 4)	475,980	68.33	325,248	SBC
Brownsville-Harlingen, TX (Note 4)	306,979	77.81	238,872	SBC
Texarkana, AR/TX	136,879	89.00	121,822	AT&T

	5,188,505		4,561,675	

Minority-owned MSAs				
Flint, MI	506,318	3.20%	16,192	Note 3
Detroit, MI	4,602,090	3.20	147,175	Note 3
Appleton/Oshkosh/Neenah, WI	475,651	10.83	51,513	Note 3
Little Rock, AR	543,773	36.00	195,758	Note 3
Lafayette, LA	256,742	49.00	125,804	Note 3
Austin, TX	919,978	35.00	321,992	Note 3
Dallas-Ft. Worth, TX	4,344,179	.50	21,721	Note 3
Sherman-Denison, TX	97,919	.50	490	Note 3

	11,746,650		880,645	

Total MSAs	16,935,155		5,442,320	

Operated RSAs				
Arkansas 2	82,860	82.00%	67,945	AT&T
Arkansas 3	102,706	82.00	84,219	AT&T
Arkansas 11	67,360	89.00	59,950	AT&T
Arkansas 12	188,542	80.00	150,834	AT&T
Louisiana 1	114,680	62.00	71,102	Cellular One
Louisiana 2	116,255	62.00	72,078	AT&T/Centennial
Louisiana 3 (B2)	95,585	62.00	59,263	AT&T/Centennial
Louisiana 4	73,168	100.00	73,168	Centennial
Michigan 3	156,490	38.76	60,660	Unitel
Michigan 4	131,069	100.00	131,069	RFB
Michigan 5	156,029	38.76	60,481	Unitel
Michigan 6	135,706	98.00	132,992	Centennial
Michigan 7	238,595	41.78	99,697	Centennial
Michigan 8	98,016	97.00	95,076	Allegan Cellular
Michigan 9	292,857	43.38	127,041	Centennial
Mississippi 2 (Note 4)	242,752	100.00	242,752	Bell South Mobility
Mississippi 6 (Note 4)	182,638	100.00	182,638	Cellular South
Texas 7 (B6)	57,756	89.00	51,403	AT&T

	2,533,064		1,822,368	

Non-operated RSAs				
Arizona 2	243,529	21.30%	51,863	Note 3
Michigan 10	135,023	26.00	35,106	Note 3
Minnesota 11	206,081	13.01	26,807	Note 3
New Mexico 4W	133,708	35.71	47,753	Note 3
Texas 16	319,976	9.60	30,718	Note 3
Wisconsin 1	109,248	8.44	9,222	Note 3
Wisconsin 2	84,925	12.81	10,879	Note 3
Wisconsin 3	139,189	14.29	19,884	Note 3
Wisconsin 6	114,709	28.57	32,774	Note 3
Wisconsin 8	232,864	4.00	9,315	Note 3

Wisconsin 10	128,751	15.00	19,313	Note 3
-----	-----	-----	-----	
	1,848,003		293,634	
-----	-----	-----	-----	
Total RSAs	4,381,067		2,116,002	
-----	-----	-----	-----	
	21,316,222		7,558,322	
=====	=====	=====	=====	

Notes:

1. Based on 1995 independent third-party population estimates.
2. Information provided to the best of the Company's knowledge.
3. Markets not operated by the Company.
4. Represents a non-wireline interest.

Operations

A substantial number of the cellular systems in MSAs operated by the Company are owned by limited partnerships in which the Company is a general partner ("MSA Partnerships"). Most of these partnerships are governed by partnership agreements with similar terms, including, among other things, customary provisions concerning capital contributions, sharing of profits and losses, and dissolution and termination of the partnership. Most of these partnership agreements vest complete operational control of the partnership with the general partner. The general partner typically has the power to manage, supervise and conduct the affairs of the partnership, make all decisions appropriate in connection with the business purposes of the partnership, and incur obligations and execute agreements on behalf of the partnership. The general partner also may make decisions regarding the time and amount of cash contributions and distributions, and the nature, timing and extent of construction, without the consent of the other partners. The Company owns more than 50% of all of the MSA Partnerships.

A substantial number of the cellular systems in RSAs operated by the Company are also owned by limited or general partnerships in which the Company is either the general or managing partner (the "RSA Partnerships"). These partnerships are governed by partnership agreements with varying terms and provisions. In many of these partnerships, the noncontrolling partners have the right to vote on major issues such as the annual budget and system design. In a few of these partnerships, the Company's management position is for a limited term (similar to a management contract) and the other partners in the partnership have the right to change managers, with or without cause. The Company owns less than 50% of some of the RSA Partnerships.

The partnership agreements for both the MSA Partnerships and RSA Partnerships generally contain provisions granting all partners a right of first refusal in the event a partner desires to transfer a partnership interest. This restriction on transfer can make these partnership interests more difficult to sell to a third party.

Revenue

The following table reflects the major revenue categories for the Company's mobile communications operations as a percentage of mobile communications operating revenues in 1995, 1994 and 1993.

	1995	1994	1993
-----	-----	-----	-----
Cellular access fees, toll revenues and equipment sales	82.3%	82.0	80.5
Cellular roaming	17.7	16.1	14.5
Paging services (Note)	-	1.9	5.0
-----	-----	-----	-----
	100.0%	100.0	100.0
=====	=====	=====	=====

Note: The Company's paging operations were sold in October 1994.

For further information on these revenue categories, see "-Services, Customers and System Usage."

Regulation And Competition

As discussed below, the FCC and various state public utility commissions regulate, among other things, the licensing, construction, operation, interconnection arrangements, sale and acquisition of cellular telephone systems.

Cellular Licensing Process. During the 1980's and early 1990's, the FCC awarded two licenses to provide cellular service in each market. Each licensee is required to provide service to a designated portion of the area or population in its licensed area as a condition to maintaining that license. Initially, one license was reserved for companies offering local telephone service in the market (the wireline carrier) and one license was available for firms unaffiliated with the local telephone company (the non-wireline carrier). Since mid-1986, the FCC has permitted telephone companies or their affiliates to acquire control of non-wireline licenses in markets in which they do not hold interests in the wireline license.

The completion of acquisitions involving the transfer of control of a cellular system requires prior FCC approval and, in certain cases, receipt of other federal and state regulatory approvals. Acquisitions of minority interests generally do not require FCC approval. Whenever FCC approval is required, any interested party may file a petition to dismiss or deny the application for approval of the proposed transfer.

Initial operating licenses were granted for ten-year periods and are renewable upon application to the FCC for periods of ten years. Licenses may be revoked and license renewal applications denied for cause. There may be competition for licenses upon the expiration of the initial ten-year terms and there is no assurance that any license will be renewed, although the FCC has issued a decision that grants a renewal expectancy during the license renewal period to incumbent licensees that substantially comply with the terms and conditions of their cellular authorizations and the FCC's regulations. The licenses for the MSA markets operated by the Company were initially granted between 1984 and 1987, and licenses for operated RSAs were initially granted between 1989 and 1991. The Company intends to file renewal applications for its licenses which will otherwise expire in 1996.

Five years after initial operating licenses are granted, unserved areas within markets previously granted to licensees may be applied for by any qualified party. The FCC has rules that govern the procedures for filing and granting such applications and has established requirements for constructing and operating systems in such areas. The Company has not lost, and does not expect to lose, any significant market areas as a result of not providing service to such areas. In addition to regulation by the FCC, cellular systems are subject to certain Federal Aviation Administration tower height regulations concerning the siting and construction of cellular transmitter towers and antennas.

Cellular operators are also subject to state and local regulation in some instances. Although the FCC has pre-empted the states from exercising jurisdiction in the areas of licensing, technical standards and market structure, certain states require cellular operators to be certified. In addition, some state authorities regulate certain aspects of a cellular operator's business, including certain aspects of pricing, the resale of long distance service to its customers, the technical arrangements and charges for interconnection with the landline network, and the transfer of interests in cellular systems. The siting and construction of the cellular facilities may also be subject to state or local zoning, land use and other local regulations.

Competition between cellular providers in each market is conducted principally on the basis of services and enhancements offered, the technical quality and coverage of the system, quality and responsiveness of customer service, and price. Competition may be intense. For a listing of the Company's competitors in cellular markets operated by the Company, see "- The Company's Cellular Interests." Under applicable law, the Company is required to permit the reselling of its services. In certain larger markets and in certain market segments, competition from resellers may be significant. There is also substantial competition for agents. Certain of the Company's competitors have substantially greater assets and resources than the Company.

Developments Affecting Mobile Communications Competition. Continued and rapid technological advances in the communications field, coupled with legislative and regulatory uncertainty, make it impossible to (i) predict the extent of future competition to cellular systems, (ii) determine which emerging technologies pose the most viable alternatives to the Company's cellular operations, or (iii) list each development that may ultimately impact the Company's cellular operations. No assurance can be given that current or future technological advances, or legislative or regulatory changes, will not impact the Company's cellular operations.

Several recent FCC initiatives have resulted in the allocation of additional radio spectrum or the issuance of experimental licenses for emerging mobile communications technologies that will or may be competitive with the Company's cellular and telephone operations, including personal communication services ("PCS"). Although there is no universally recognized definition of PCS, the term is generally used to refer to wireless services to be provided by licensees operating in the 1850 MHz to 1990 MHz radio frequency band using microcells and high-capacity digital technology. When offered commercially, PCS technology currently under development may permit PCS operators to offer wireless data, image and multimedia services. The extent to which PCS will offer services that are complementary or competitive with cellular services is uncertain, and is expected to be influenced by continuing developments in PCS and cellular technologies and by FCC regulation.

The FCC has adopted rules to auction up to six PCS licenses per market. Under these rules, two 30 MHz frequency blocks have been awarded for each of the 51 Rand McNally Major Trading Areas ("MTAs"), while one 30 MHz and three 10 MHz frequency blocks will be awarded for each of the 493 Rand McNally Basic Trading Areas ("BTAs"). Subject to certain exceptions, the Company will be permitted to freely pursue PCS licenses outside its cellular markets, but will be limited to acquiring only one 10 MHz block in licensed areas where it controls more than a 20% interest in a cellular licensee and serves more than 10% of the population within the PCS licensed area. The Company did not participate in the FCC's auction of the MTA licenses. During 1995 the Company invested \$20 million in exchange for a minority equity interest in an entity formed for the purpose of participating in the FCC's current auction, which began in December 1995, of the 30 MHz PCS license for each BTA. The FCC anticipates auctioning the final BTA licenses later in 1996. PCS service is commercially available in Washington D.C. and Baltimore and is expected to be commercially available in certain other areas in 1996.

In addition to PCS, users and potential users of cellular systems may find their communication needs satisfied by other current and developing technologies, several of which may enjoy potential operational and service advantages through their use of digital technology. The FCC previously authorized the licensees of certain specialized mobile radio service ("SMR") systems (which historically have generally been used by taxicabs and tow truck operators) to configure their systems so as to operate in a manner similar to cellular systems. The Company believes that SMR systems are operating in a majority of its cellular markets. Certain well-established SMR providers have announced their intention to create a nationwide digital mobile communications system to compete with cellular systems. Other similar communication services which have the technical capability to handle mobile telephone calls may provide competition in certain markets, although these services currently lack the subscriber capacity of cellular systems. One-way paging or beeper services that feature voice message and data display as well as tones may be adequate for potential subscribers who do not need to communicate with the caller. Other two-way mobile services may also be competitive

with the Company's services, including two-way paging.

Mobile satellite systems, in which transmissions are between mobile units and satellites, are currently in operation. No assurance can be given that such systems will not ultimately be successful in obtaining market share from cellular systems which communicate directly to land-based stations. However, the Company has entered into an agreement with a satellite system provider whereby the satellite system will supplement the Company's cellular system in certain areas.

As described further under "Telephone Operations - Regulation and Competition," in connection with the well-publicized convergence of telecommunications, cable, video, computer and entertainment businesses, several large companies have recently announced plans to offer products that would significantly enhance current communications and data transmissions services and, in some instances, introduce new services. Although much of the resulting competition is expected to center on wireline services, it is anticipated that these developments may also increase competition in the mobile communications industry. Several companies are currently developing and marketing small hand-held devices that provide digital wireless data transmission services that compete with similar analog services currently being provided by cellular companies.

Recently, several large cellular providers have merged with other companies or formed joint ventures. The resulting entities have substantially greater assets and resources than the Company. Several of these joint ventures pooled their resources to purchase PCS licenses awarded in the MTA auctions which were completed in 1995 and to develop the associated markets. For more information, see "-Marketing."

Although it is uncertain how PCS, SMR, mobile satellites and other emerging technologies will ultimately affect the Company, they are not anticipated to be significant sources of competition in the Company's markets in the near term. Moreover, management believes that equipping its current cellular networks with digital enhancements and applying new microcellular technologies should permit its cellular systems to provide services comparable with the emerging technologies described above, although no assurances can be given that this will happen or that future technological advances or legislative or regulatory changes will not create additional sources of competition.

Certain Considerations Regarding Cellular Telephone Operations

The cellular industry has a relatively limited operating history and there continues to be uncertainty regarding its future. Among other factors, there is uncertainty regarding (i) the continued growth in the number of customers, (ii) the usage and pricing of cellular services, particularly as market penetration increases and lower-usage customers subscribe for service, (iii) the number of customers who will terminate service each month, and (iv) the impact of changes in technology, regulation, legislation and competition, any of which could have a material adverse effect on the Company. See "- Regulation and Competition."

The market value of cellular interests is frequently determined on the basis of the number of pops owned by a cellular provider. The population of a particular cellular market, however, does not necessarily bear a direct relationship to the number of subscribers or the revenues that may be realized from the operation of the related cellular system. The future market value of the Company's cellular interests will depend on, among other things, the success of its cellular operations.

OTHER OPERATIONS

The Company also provides long distance, operator and interactive services in certain local and regional markets, as well as certain printing and related services, and has recently entered the competitive access business. The results of these operations, which accounted for 4.4% and 1.2%, respectively, of the Company's consolidated revenues and operating income during 1995, are reflected for financial reporting purposes in the "Other operations" section in operating income.

Long Distance. At December 31, 1995, the Company provided long distance services in certain of its local exchange markets to nearly 47,000 customers, which represented a 69% increase from the number of customers served as of January 1, 1995. In January 1996 the Company began marketing long distance service in all of its equal access telephone operating areas and, during January 1996 and February 1996, added 29,000 long distance customers. Although the Company owns and operates long distance switches in LaCrosse, Wisconsin and San Marcos, Texas, it anticipates that most of its future long distance service revenues will be provided by reselling service purchased from other facilities-based long distance providers. The Company intends to continue to aggressively expand its long distance business, principally through reselling arrangements.

Competitive access. The Company's competitive access subsidiary has constructed an 86-mile fiber optic network which allows the Company to offer certain competitive access services in Fort Worth and Arlington, Texas, along with a portion of downtown Dallas. The subsidiary, which has also obtained a franchise to provide services in Austin, Texas and is currently constructing its network in the Austin market, provides enhanced data transmission services, transport to local area network users, and central office interconnection, primarily for large business customers. The subsidiary also provides transport for origination and termination services for long distance companies. The Company plans to continue to pursue the development of its competitive access business in Texas and expects to incur operating losses in such business during the next few years.

Other. The Company provides 0+ and 0- operator services for retail and wholesale markets. The retail market consists primarily of the hospitality and payphone industries. The wholesale market consists of other independent telephone companies and interexchange carriers.

The Company has a subsidiary which provides audiotext services, fax-on-demand services, and interactive marketing surveys and research. The advertising and consumer information provided through the audiotext services is supplied by the businesses that advertise. The Company has another subsidiary that provides printing, database management and direct mail services which, in conjunction with the subsidiary that provides marketing surveys and research, can provide a complete market research package to customers. The Company has signed a preliminary agreement with another company providing complementary services, pursuant to which the Company would combine most of the operations of these two subsidiaries with the operations of the other company in exchange for an 80% equity interest in the newly created company.

Certain service subsidiaries of the company provide installation and maintenance services, materials and supplies, and managerial, technical and accounting services to the telephone and mobile communications operating subsidiaries. In addition, Century provides and bills management services to subsidiaries and in certain instances makes interest bearing advances to finance construction of plant and purchases of equipment. These transactions are recorded by the Company's regulated telephone subsidiaries at their cost to the extent permitted by regulatory authorities. Intercompany profit on transactions with regulated affiliates is limited to a reasonable return on investment and has not been eliminated in connection with consolidating the results of operations of Century and its subsidiaries. Such intercompany profit is reflected in the "Other operations" section in operating income.

OTHER MATTERS

The Company has certain obligations based on federal, state and local laws relating to the protection of the environment. Costs of compliance through 1995 have not been material and the Company currently has no reason to believe that such costs will become material.

For additional information concerning the business and properties of the Company, see notes 2, 5, 11, 14 and 16 of Notes to Consolidated Financial Statements set forth in Item 8 elsewhere herein.

Item 2. Properties.

The Company's properties consist principally of (i) telephone lines, central office equipment, telephone instruments and related equipment, and land and building related to telephone operations and (ii) switching and cell site equipment related to cellular telephone operations. As of December 31, 1995, the Company's gross property, plant and equipment of approximately \$1.5 billion consisted of the following:

Telephone:	
Cable and wire.....	44.1%
Central office equipment.....	23.8
General support.....	6.6
Information origination/termination equipment.....	1.6
Construction in progress.....	4.0
Other.....	.4

	80.5
Mobile Communications.....	12.8
Other	6.7

	100.0%
	=====

"Cable and wire" facilities consist primarily of buried cable and aerial cable, poles, wire, conduit and drops. "Central office equipment" consists primarily of switching equipment, circuit equipment and related facilities. "General support" consists primarily of land, buildings, tools, furnishings, fixtures, motor vehicles and work equipment. "Information origination/termination equipment" consists primarily of premise equipment (private branch exchanges and telephones) for official company use. "Construction in progress" includes property of the foregoing categories that has not been placed in service because it is still under construction.

Most of the properties of the Company's telephone subsidiaries are subject to mortgages securing the debt of such companies. The Company owns substantially all of the central office buildings, local administrative buildings, warehouses, and storage facilities used in its telephone operations. The Company leases most of the offices used in its cellular operations; certain of its transmitter sites are leased while others are owned by the Company. For further information on the location and type of the Company's properties, see the descriptions of the Company's telephone and mobile communications operations in Item 1.

Item 3. Legal Proceedings.

From time to time, the Company is involved in litigation incidental to its business, including administrative hearings of state public utility commissions relating primarily to rate making, actions relating to employee claims, occasional grievance hearings before labor regulatory agencies and miscellaneous third party tort actions. Currently, there are no material legal proceedings.

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

Not applicable.

Executive Officers of the Registrant

Information concerning Executive Officers, set forth at Item 10 in Part III hereof, is incorporated in Part I of this Report by reference.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder

Matters.

Century's common stock is listed on the New York Stock Exchange and is traded under the symbol CTL. The following table sets forth the high and low sale prices, along with the quarterly dividends, for each of the quarters indicated:

		Sale prices		Dividend per common share
		High	Low	
1994:				
	First quarter	\$ 27-7/8	21-7/8	.08
	Second quarter	\$ 27-5/8	22-5/8	.08
	Third quarter	\$ 30-1/2	25	.08
	Fourth quarter	\$ 32-1/4	27-1/2	.08
1995:				
	First quarter	\$ 33-1/8	29	.0825
	Second quarter	\$ 31-3/4	27-1/2	.0825
	Third quarter	\$ 32-1/8	27	.0825
	Fourth quarter	\$ 32-1/8	27-1/2	.0825

Common stock dividends during 1994 and 1995 were paid each quarter. As of February 29, 1996, there were approximately 6,900 stockholders of record of Century's common stock.

Item 6. Selected Financial Data.

The following table presents certain selected consolidated financial data as of and for each of the years ended in the five-year period ended December 31, 1995:

Selected Income Statement Data

Year ended December 31,					
	1995	1994	1993	1992	1991
(Dollars, except per share amounts, and shares expressed in thousands)					
Operating revenues					
Telephone	\$ 419,242	391,265	350,330	298,812	236,408
Mobile Communications	197,494	150,802	84,712	62,092	46,731
Other	28,104	22,534	20,633	9,956	8,658
Total operating revenues	\$ 644,840	564,601	455,675	370,860	291,797
Operating income (loss)					
Telephone	\$ 143,527	137,992	114,902	103,672	80,039
Mobile Communications	57,009	31,443	9,906	5,956	(4,952)
Other	2,383	3,371	3,201	3,324	1,344
Net operating income	\$ 202,919	172,806	128,009	112,952	76,431
Income before cumulative effect of changes in accounting principles	\$ 114,776	100,238	69,004	59,973	37,419
Cumulative effect of changes in accounting principles	-	-	-	(15,668)	-
Net income	\$ 114,776	100,238	69,004	44,305	37,419
Fully diluted earnings per share before cumulative effect of changes in accounting					

principles	\$	1.95	1.80	1.32	1.22	.79
Cumulative effect of changes in accounting principles		-	-	-	(.31)	-
Fully diluted earnings per share	\$	1.95	1.80	1.32	.91	.79
Dividends per common share	\$.33	.32	.31	.293	.287
Average fully diluted shares outstanding		59,107	58,135	55,892	48,653	47,432

Selected Balance Sheet Data

	December 31,				
	1995	1994	1993	1992	1991
(Dollars in thousands)					
Net property, plant and equipment	\$1,047,808	947,131	827,776	675,878	534,998
Excess cost of net assets acquired, net	\$ 493,655	441,436	297,158	217,688	114,258
Total assets	\$1,862,421	1,643,253	1,319,390	1,040,487	764,539
Long-term debt	\$ 622,904	518,603	364,433	346,944	205,453
Stockholders' equity	\$ 888,424	650,236	513,768	385,449	319,977

The following table presents certain selected consolidated operating data as of the end of each of the years in the five-year period ended December 31, 1995:

	Year ended December 31,				
	1995	1994	1993	1992	1991
Telephone access lines	480,757	454,963	434,691	397,300	314,819
Cellular units in service in majority-owned markets	290,075	211,710	116,484	73,084	51,083

See Items 1 and 2 in Part I and notes 1, 5 and 14 of Notes to Consolidated Financial Statements set forth in Item 8 elsewhere herein for additional information.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

OVERVIEW

The 1995 net income of Century Telephone Enterprises, Inc. and subsidiaries (the "Company") increased to \$114.8 million from \$100.2 million during 1994 and \$69.0 million during 1993. Fully diluted earnings per share for 1995 increased to \$1.95 from \$1.80 during 1994 and \$1.32 during 1993. The average number of fully diluted shares outstanding increased 1.7% and 4.0% in 1995 and 1994, respectively, as a result of shares issued in connection with acquisitions and the Company's dividend reinvestment, incentive and benefit plans.

The Company is a regional diversified telecommunications company that is primarily engaged in providing traditional telephone services and cellular mobile telephone services. The Company's 1995 operating income was \$202.9 million, an increase of \$30.1 million (17.4%) over 1994 operating income of \$172.8 million. During 1995 the operating income of the Company's telephone segment and its mobile communications segment increased \$5.5 million (4.0%) and \$25.6 million (81.3%), respectively, compared to 1994. The Company's operating income during 1993 was \$128.0 million.

Year ended December 31,	1995	1994	1993
(Dollars in thousands, except per share amounts)			

Operating income			
Telephone	\$ 143,527	137,992	114,902
Mobile Communications	57,009	31,443	9,906
Other	2,383	3,371	3,201

	202,919	172,806	128,009
Interest expense	(43,615)	(42,577)	(30,149)
Income from unconsolidated cellular entities	20,084	15,698	6,626
Gain on sales of assets	6,782	15,877	1,661
Minority interest	(8,084)	(3,377)	(516)
Other income and expense	4,982	3,111	625
Income tax expense	(68,292)	(61,300)	(37,252)

Net income	\$ 114,776	100,238	69,004
=====			
Fully diluted earnings per share	\$ 1.95	1.80	1.32
=====			

The operating income of the telephone segment includes the results of operations of Century Telephone of San Marcos, Inc. ("San Marcos") subsequent to its acquisition in April 1993. See Note 14 of Notes to Consolidated Financial Statements for additional information.

The Company's mobile communications operations reflect the operations of the cellular entities in which the Company has a majority interest. For additional information concerning (i) the minority interest owners' share of the income of such entities and (ii) the Company's share of earnings from cellular entities in which it has less than a majority interest (which is not included in the mobile communications segment), see Mobile Communications Operations. The operating income of the mobile communications segment includes the results of operations of Celutel, Inc. ("Celutel") subsequent to its acquisition in February 1994, and the Company's paging operations prior to their sale in October 1994. See Notes 11 and 14 of Notes to Consolidated Financial Statements for additional information.

In addition to the San Marcos and Celutel acquisitions, during the three years ended December 31, 1995 the Company has consummated the acquisitions of various, smaller, telephone and cellular operations.

Based on its review of publicly available data, the Company believes that it has the second highest ratio of owned cellular pops (the population of licensed cellular telephone markets multiplied by the Company's proportionate equity interests in the licensed operators thereof) to telephone access lines among the 20 largest telephone companies (based on access lines) in the United States. Accordingly, the Company anticipates that its mobile communications operations will continue to increasingly influence the Company's overall operations as the cellular industry continues to grow. Contributions to operating revenues and operating income by the Company's telephone, mobile communications, and other operations for each of the years in the three-year period ended December 31, 1995 were as follows:

	1995	1994	1993

Operating revenues			
Telephone operations	65.0%	69.3	76.9
Mobile Communications operations	30.6%	26.7	18.6
Other operations	4.4%	4.0	4.5
Operating income			
Telephone operations	70.7%	79.9	89.8
Mobile Communications operations	28.1%	18.2	7.7
Other operations	1.2%	1.9	2.5

TELEPHONE OPERATIONS

Year ended December 31,	1995	1994	1993

(Dollars in thousands)			
Operating revenues			
Local service	\$111,629	100,020	88,704
Network access and long distance	258,462	243,759	217,055
Other	49,151	47,486	44,571

	419,242	391,265	350,330

Operating expenses			
Plant operations	86,789	84,117	80,578
Customer operations	38,768	35,746	32,225
Corporate and other	63,834	60,235	57,450
Depreciation and amortization	86,324	73,175	65,175

	275,715	253,273	235,428

Operating income	\$143,527	137,992	114,902
=====			

The Company's telephone operations are conducted in rural, suburban and small urban communities in 14 states. Approximately 80% of the Company's telephone access lines are in Wisconsin, Louisiana, Michigan, Ohio and Arkansas.

Local Service Revenues

Local service revenues are derived from the provision of local exchange telephone services in the Company's franchised service areas. The \$11.6 million increase in such revenues in 1995 included \$4.5 million due to the increase in the number of customer access lines, \$3.0 million from increased rates for basic services and \$2.0 million due to acquisitions. Acquisitions contributed \$1.2 million to the 1994 increase of \$11.3 million; \$4.5 million of the 1994 increase was due to the increase in access lines; and \$3.8 million was due to increased rates for basic services. The remaining increases in 1995 and 1994 were primarily due to the provision of custom calling features. Internal access line growth during 1995, 1994 and 1993 was 4.4%, 4.1% and 3.6%, respectively.

Network Access and Long Distance Revenues

Network access and long distance revenues primarily relate to services provided to interexchange carriers (long distance carriers) in connection with the completion of long distance telephone calls. Most of the Company's interstate network access revenues are received through pooling arrangements administered by the National Exchange Carrier Association ("NECA") based on cost separation studies. The NECA receives access charges billed by the Company and other participating local exchange carriers ("LECs") to interstate long distance carriers and other LEC customers for their use of the local exchange network to complete long distance calls. These charges to the long distance carriers and other LEC customers are based on tariffed access rates filed with the Federal Communications Commission ("FCC") by the NECA on behalf of the Company and other participating LECs. Long distance and intrastate network access revenues are based on access rates, cost separation studies or special settlement arrangements with intrastate long distance carriers.

Network access and long distance revenues increased \$14.7 million (6.0%) in 1995 and \$26.7 million (12.3%) in 1994 due to the following factors:

	1995 Increase (decrease)	1994 Increase (decrease)
(Dollars in thousands)		
Acquisitions	\$ 4,821	5,734
Partial recovery of increased operating expenses through revenue pools in which the Company participates with other telephone companies and return on rate base	3,039	8,834
Increased recovery from the FCC mandated Universal Service Fund ("USF")	4,394	8,815
Increased minutes of use	1,440	2,409
Revision of prior year revenue settlement agreements	(500)	2,537
Other, net	1,509	(1,625)
-	\$14,703	26,704
=====		

The change in other, net in 1995 and 1994 included reductions of \$1.7 million and \$1.9 million, respectively, in intrastate high-cost assistance revenues as a result of the phase-out of the Wisconsin state support fund; the loss of such revenues was offset by an increase in local rates in the same jurisdictions. Included in other, net in 1995 was approximately \$2.5 million of revenue associated with a change in the method used to calculate factors applied in the network access revenue billing process. Included in other, net in 1994 was a reduction of \$2.3 million in certain settlements received from a large local exchange operating company by the Company's Louisiana subsidiaries.

Other Revenues

Other revenues include revenues related to (i) leasing, selling, installing, maintaining and repairing customer premise telecommunications equipment and wiring ("CPE services"), (ii) providing billing and collection services for interexchange carriers, (iii) leasing network facilities and (iv) participating in the publication of local directories. Revenues from CPE services and acquisitions contributed \$1.9 million and \$606,000, respectively, to the increase in other revenues in 1995. Such increases were partially offset by a decrease in billing and collection revenues of \$896,000. Billing and collection revenues are expected to continue to decrease in 1996. The increase in other revenues during 1994 was primarily due to a \$1.2 million increase in directory advertising revenues and a \$1.1 million increase in billing and collection revenues.

Operating Expenses

Plant operations expenses during 1995 and 1994 increased \$2.7 million (3.2%) and \$3.5 million (4.4%), respectively. Operating expenses attributable to acquisitions contributed \$1.8 million to the 1995 increase and \$2.3 million to the 1994 increase. The remainder of the 1995 increase was due to an increase in general operating expenses. A \$1.2 million increase in salaries, wages and benefits during 1994 was partially

offset by a \$531,000 reduction in postemployment benefit expense.

Expenses attributable to acquisitions contributed \$2.7 million and \$2.1 million, respectively, to the 1995 increase of \$6.6 million (6.9%) and the 1994 increase of \$6.3 million (7.0%) in customer operations, corporate, and other expenses. Ad valorem taxes increased \$1.2 million in 1995 and \$1.0 million in 1994 due to the increases in plant in service. During 1995 marketing expenses increased \$2.1 million. The remainder of the 1994 increase resulted from increases in other general operating expenses.

Depreciation and amortization increased \$13.1 million (18.0%) and \$8.0 million (12.3%) in 1995 and 1994, respectively. Approximately \$1.0 million and \$2.4 million of the increases in 1995 and 1994, respectively, were due to acquisitions. Depreciation expense included nonrecurring additional depreciation charges approved by regulators in certain jurisdictions which aggregated \$6.5 million in 1995 and \$3.3 million in 1993. In addition, the Company obtained higher recurring depreciation rates for certain subsidiaries during 1994 and 1993. The first-year effects of the higher rates were approximately \$5.6 million in 1994 and \$1.7 million in 1993. The remaining increases in depreciation and amortization were due to higher levels of plant in service. The composite depreciation rate for regulated telephone properties, including the additional depreciation charges, was 7.5% for 1995 and 7.1% for 1994 and 1993.

Other

For additional information regarding certain matters that have impacted or may impact the Company's telephone operations, see Regulation and Competition.

MOBILE COMMUNICATIONS OPERATIONS

Year ended December 31,	1995	1994	1993
(Dollars in thousands)			
Operating revenues			
Cellular service	\$ 191,953	141,325	76,583
Equipment and other	5,541	9,477	8,129
	197,494	150,802	84,712
Operating expenses			
Cost of sales	10,235	8,978	4,273
Other operating expenses	25,902	22,881	15,408
General, administrative and customer service	39,471	33,171	23,872
Sales and marketing	39,450	33,074	19,894
Depreciation and amortization	25,427	21,255	11,359
	140,485	119,359	74,806
Operating income	\$ 57,009	31,443	9,906

The Company's mobile communications segment reflects 100% of the results of operations of the cellular entities in which the Company has a majority interest. The minority interest owners' share of the income of such entities was \$8.1 million, \$3.4 million and \$516,000 in 1995, 1994 and 1993, respectively, and is reflected as an expense in "Minority interest." The Company's cellular customers are located primarily in Louisiana, Michigan, Mississippi and Texas.

The Company's share of earnings from the cellular entities in which it has less than a majority interest (which is not included in the mobile communications segment) is accounted for using the equity method and is reflected in "Income from unconsolidated cellular entities." The Company's share of income from such entities increased to \$20.1 million in 1995 from \$15.7 million in 1994 and \$6.6 million in 1993.

Operating Revenues

Cellular service revenues include monthly service fees for providing access and airtime to customers, service fees for providing airtime to users roaming through the Company's service areas and toll revenue. Cellular service revenues during 1995 increased to \$192.0 million from \$141.3 million in 1994 and \$76.6 million in 1993.

The 1995 and 1994 increases in cellular service revenues were primarily attributable to the significant increases in cellular customers resulting principally from increased demand, acquisitions and expanded areas of service. Cellular units in service in the Company's majority-owned markets increased to 290,075 as of December 31, 1995 from 211,710 as of December 31, 1994 and 116,484 as of December 31, 1993. Included in the 1995 and 1994 increases were 8,931 and 31,155, respectively, of units added through acquisitions. Exclusive of acquisitions, access and usage revenues increased \$30.8 million (30.3%) in 1995 and \$27.2 million (48.3%) in 1994 and roaming and toll revenues increased \$12.9 million (36.0%) and \$9.8 million (54.9%) in 1995 and 1994, respectively. Cellular entities acquired in 1995 contributed \$4.0 million to cellular service revenues. The Celutel operations increased revenues by \$26.3 million in 1994.

The average monthly cellular service revenue per customer declined to \$66 in 1995 from \$69 in 1994 and \$71 in 1993. It has been an industry-wide trend that early subscribers have normally been the heaviest users and that a higher percentage 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 place additional pressure on rates. 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 included \$2.9 million and \$4.2 million in 1994 and 1993, respectively, of revenues attributable to the Company's paging operations, which were sold in October 1994. The remainder of equipment and other revenues consisted primarily of cellular equipment sales. Revenues from the sale of cellular phones decreased \$1.0 million in 1995 compared to 1994. Although the Company sold more phones in 1995 than in 1994, revenues decreased because the Company has increasingly sold phones below cost, a strategy which is common in the cellular industry.

Operating Expenses

The increases in cost of sales during 1995 and 1994 resulted from increases in the number of cellular phones sold.

Other operating expenses increased \$3.0 million (13.2%) in 1995 primarily due to a \$1.5 million increase in costs paid to other carriers related to the Company's customers who roam in other carriers' service areas in excess of the amounts the Company bills its customers (such costs are expected to increase as the Company continues to expand its reduced rate calling areas) and a \$1.5 million increase in expenses incurred in interconnecting new cell sites. Such increases were partially offset by a \$1.0 million decrease in operating expenses due to the sale of the Company's paging operations in 1994. The \$7.5 million increase in 1994 in other operating expenses included \$5.8 million of expenses of Celutel subsequent to its acquisition in February 1994. The remaining increase in other operating expenses in 1994 was primarily due to interconnecting and operating new cell sites which were built to improve service in several existing markets and to initiate and develop service in several rural markets. The Company operated 277 cell sites at December 31, 1995 in entities in which it had a majority interest, compared to 230 at December 31, 1994 and 158 at December 31, 1993. In 1995 and 1994, 24 cell sites and 29 cell sites, respectively, were added through acquisitions.

Most of the \$6.3 million (19.0%) increase in general, administrative and customer service expenses in 1995 was related to increased expenses resulting from a larger customer base, such as billing costs (\$1.4 million), general office expenses (\$1.1 million), uncollectible accounts (\$1.2 million) and customer service (\$620,000). General, administrative and customer service expenses increased \$9.3 million (39.0%) in 1994, \$7.4 million of which was due to the Celutel operations. The remaining increase in 1994 was primarily related to the increased number of customers.

During 1995 and 1994, sales and marketing expenses increased \$6.4 million (19.3%) and \$13.2 million (66.3%), respectively, of which \$3.8 million in 1995 and \$8.2 million in 1994 were due to increases in commissions paid to agents for selling cellular services to new customers. The 1995 increase also included a \$1.3 million increase in the costs of sales promotions and a \$509,000 increase in advertising. Costs of operating the Company's retail stores, the first of which was opened in late 1994, increased \$601,000 in 1995. The remaining increase in 1994 was due to the Celutel operations.

Depreciation and amortization increased \$4.2 million (19.6%) in 1995 and \$9.9 million (87.1%) in 1994 due to increases of \$3.7 million and \$4.9 million, respectively, applicable to higher levels of cellular plant in service. Approximately \$3.8 million of the 1994 increase was due to amortization of goodwill attributable to the acquisition of Celutel.

Other

For additional information regarding certain matters that have impacted or may impact the Company's mobile communications operations, see Regulation and Competition.

OTHER OPERATIONS

Other operations includes the results of operations of subsidiaries of the Company which are not included in the telephone or mobile communications segments, including, but not limited to, the Company's competitive access subsidiary and the Company's nonregulated long distance operations. The \$988,000 decrease in operating income in 1995 was substantially due to the loss incurred by the Company's competitive access subsidiary in 1995 (\$3.6 million) being \$1.8 million more than in 1994. The Company expects such loss to be between \$6.0 million and \$8.0 million in 1996.

INTEREST EXPENSE

Interest expense increased \$1.0 million (2.4%) in 1995 and \$12.4 million (41.2%) in 1994. The effect of higher average interest rates increased interest expense \$4.0 million in 1995. Such increase was substantially offset by a decrease in interest expense due to a decrease in average debt outstanding. In February 1995 the Company's \$115.0 million of 6% convertible debentures were converted into common stock. In November 1995 the Company issued \$150.0 million of senior notes under its \$400.0 million shelf registration statement filed with the United States Securities and Exchange Commission (the "SEC") in 1994. For additional information, see Liquidity and Capital Resources - Financing

Activities and Note 5 of Notes to Consolidated Financial Statements. The increase during 1994 was primarily the result of a 34% increase in average debt outstanding, a substantial amount of which was incurred in connection with the acquisition of Celutel.

INCOME FROM UNCONSOLIDATED CELLULAR ENTITIES

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, increased \$4.4 million (27.9%) during 1995 and \$9.1 million (136.9%) during 1994. The 1995 increase was net of an \$800,000 reduction in such earnings which resulted from a retroactive adjustment related to prior years recorded by the operator of a cellular partnership in which the Company owns less than a majority interest. An increase of \$2.9 million in the Company's share of income from the partnership interests acquired in the San Marcos acquisition in April 1993 contributed to the 1994 increase. The remainders of the 1995 and 1994 increases were due to the improvement in profitability of cellular entities in which the Company owns less than a majority interest.

GAIN ON SALES OF ASSETS

During 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). Sales of other assets during 1995 resulted in a pre-tax gain of \$873,000 (\$567,000 after-tax; \$.01 per fully diluted share).

The Company sold the assets comprising a cellular system in a Rural Service Area ("RSA") in Minnesota in 1994 and recognized a pre-tax gain of \$14.7 million (\$8.5 million after-tax; \$.15 per fully diluted share). In addition, the Company sold its paging operations in 1994 which resulted in a pre-tax gain of \$1.2 million (\$756,000 after-tax; \$.01 per fully diluted share).

MINORITY INTEREST

The increased profitability during 1995 and 1994 of the Company's majority-owned and operated cellular entities resulted in a corresponding increase of \$4.7 million and \$2.9 million, respectively, 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 during 1995 was \$5.0 million compared to \$3.1 million during 1994 and \$625,000 in 1993. During 1995 and 1994 interest income increased \$1.0 million and \$1.5 million, respectively, due to interest income earned on a \$25.0 million note receivable issued to Century in May 1994. For additional information, see Liquidity and Capital Resources - Investing Activities.

INCOME TAX EXPENSE

The effective income tax rate was 37.3%, 37.9% and 35.1% in 1995, 1994 and 1993, respectively. The increase in the effective rate in 1994 was primarily the result of (i) amortization of investment tax credits and the regulatory liability relating to income taxes remaining relatively stable while income before taxes increased and (ii) the effect of an increase in the amortization of goodwill which is not tax deductible.

ACCOUNTING PRONOUNCEMENTS

The Company adopted Statement of Financial Accounting Standards No. 112 ("SFAS 112"), "Employers' Accounting for Postemployment Benefits," in the first quarter of 1994. No cumulative effect of change in accounting principle was required to be recorded upon adoption of SFAS 112.

The Company will adopt Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," in 1996. SFAS 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles, and goodwill related to those assets to be held and used, and for long-lived assets and certain identifiable intangibles to be disposed of. SFAS 121 also requires that a rate-regulated enterprise recognize an impairment for the amount of costs excluded when a regulator excludes all or part of a cost from the enterprise's rate base. The effect of adoption of SFAS 121 by the Company is not expected to materially affect the Company's consolidated financial position or results of operations.

The Company will also adopt Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," in 1996. SFAS 123 establishes financial accounting and reporting standards for stock-based employee compensation plans. The Company currently plans, as allowed by SFAS 123, to continue to measure compensation cost for employee stock compensation plans using the method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and will provide pro forma disclosures in the Notes to the Consolidated Financial Statements as required by SFAS 123.

INFLATION

The effects of increased costs historically have been mitigated by the ability to recover certain costs applicable to the Company's regulated

telephone operations through the rate-making process. As operating expenses in the nonregulated areas increase as a result of inflation, the Company, to the extent permitted by competition, recovers the costs by increasing prices for its services and equipment.

While the regulatory process does not consider replacement cost of physical plant, the Company has historically been able to earn a return on the increased cost of its net investment when facilities have been replaced. Possible future regulatory changes may alter the Company's ability to recover increased costs in its regulated operations. For additional information regarding the current regulatory environment, see Regulation and Competition.

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 the Company's mobile communications operations has increased each year since that segment became cash-flow positive.

Operating Activities

Net cash provided by operating activities was \$215.7 million, \$199.8 million and \$166.8 million in 1995, 1994 and 1993, respectively. The Company's accompanying consolidated statements of cash flows identifies major differences between net income and net cash provided by operating activities for each of those years. For additional information relating to the telephone operations, mobile communications operations, and other operations of the Company, see Results of Operations.

Investing Activities

Net cash used in investing activities was \$227.8 million, \$280.3 million and \$248.7 million during 1995, 1994 and 1993, respectively. Capital expenditures for 1995 were \$136.0 million for telephone operations, \$42.0 million for mobile communications operations and \$18.6 million for corporate and other operations. During 1995 the Company invested \$20.0 million in exchange for a minority equity interest in an entity formed for the purpose of participating in the FCC's auction, which began in December 1995, of Basic Trading Area Personal Communications Services ("PCS") licenses.

Cash used in connection with the February 1994 acquisition of Celutel was \$56.0 million. In connection with the corporate restructuring of an unaffiliated local exchange telephone company which has been viewed from time to time as an acquisition candidate, Century loaned the telephone company's holding company \$25.0 million in May 1994. Payments for property, plant and equipment during 1994 and 1993 were \$200.8 million and \$204.2 million, respectively.

Financing Activities

Net cash provided by financing activities was \$13.5 million in 1995. In November 1995 the Company issued \$150.0 million of senior notes under its \$400.0 million shelf registration statement (see next paragraph and Note 5 of Notes to Consolidated Financial Statements) to take advantage of attractive long-term interest rates. The net proceeds were used to reduce the Company's borrowings under its credit facilities.

Net cash provided by financing activities during 1994 and 1993 was \$77.8 million and \$81.9 million, respectively. During 1994 the Company filed a shelf registration statement with the SEC registering \$400.0 million of senior unsecured debt securities under which the Company issued \$150.0 million of senior notes in May 1994. See Note 5 of Notes to Consolidated Financial Statements. 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 floating-rate credit facilities. In connection with the offering, in the second quarter of 1994 Moody's upgraded Century's senior unsecured debt rating to Baa1 and Standard & Poor's affirmed its BBB+ rating.

The \$158.0 million of notes payable at December 31, 1994 reflected the Company's continued utilization of borrowings under its credit facilities to take advantage of favorable short-term interest rates.

Other

Budgeted capital expenditures for 1996 total \$102 million for telephone operations, \$61 million for mobile communications operations and \$26 million for corporate and other operations. The Company anticipates that capital expenditures in its telephone operations will continue to include the installation of fiber optic cable and the upgrading of its plant and equipment, including its digital switches, to provide enhanced services. Mobile communications capital expenditures are expected to continue to focus on constructing additional cell sites (which will provide expanded areas where hand-held cellular phones may be used), to enhance the Company's ability to provide digital service in the future and to begin providing digital service in certain markets. Budgeted capital expenditures for other operations for 1996 include \$19 million of capital construction costs planned to be expended in the Company's competitive access operations.

The Company will continue its long-term strategy of pursuing the acquisition of attractive communications properties in exchange for cash,

securities or both, and may require additional financing in connection therewith. Approximately 615,000 shares of Century common stock and 125,000 shares of Century preferred stock remain available for future issuance in connection with acquisitions under an acquisition shelf registration statement.

As of December 31, 1995, Century's telephone subsidiaries had available for use \$142.6 million of commitments for long-term financing from the Rural Utilities Service and the Company had \$108.6 million of undrawn committed bank lines of credit. In addition, approximately \$140.0 million of uncommitted credit facilities were available to Century at December 31, 1995. The Company also has access to debt and equity capital markets, including its shelf registration statements mentioned above. The Company has experienced no significant problems in obtaining funds for capital expenditures or other purposes.

Common stockholders' equity as a percentage of total capitalization was 57.6% and 48.4% at December 31, 1995 and 1994, respectively. If the 6% convertible debentures which were converted into common stock in 1995 had been converted into common stock at December 31, 1994, common stockholders' equity as a percentage of total capitalization would have been 57.0%.

REGULATION AND COMPETITION

Most of the Company's telephone operations are regulated extensively by various state regulatory agencies and by the FCC. Primarily as a result of legislative, regulatory and technological changes, competition has been introduced and encouraged in the telephone industry and regulation has decreased; it is anticipated that these trends will continue. While competition is not new to the Company's cellular operations, competition from other providers of mobile communications services is also expected to increase.

Events Affecting the Telecommunications Industry

The telecommunications industry continues to undergo various fundamental regulatory, competitive and technological changes that make it impossible to determine the form or degree of future regulation and competition affecting the Company's telephone and mobile communications operations. The FCC and a number of state regulatory commissions have begun to reduce the regulatory oversight of LECs. Coincident with this movement toward reduced regulation has been the introduction and encouragement of local exchange competition by, among others, the FCC, various state legislative and regulatory bodies and, most recently, the United States Congress (see next paragraph). These changes have led to the organization or continued growth of various companies providing competitive access and other services that compete with LECs' services. Wireless telephone services are also expected to increasingly compete with LECs.

In February 1996 the United States Congress enacted the Telecommunications Act of 1996 (the "1996 Act"), which obligates LECs to permit competitors to interconnect their facilities to the LEC's network and to take various other steps that are designed to lower barriers of entry to competitors. These include obligating incumbent LECs to (i) negotiate interconnection agreements in good faith, (ii) provide "unbundled" access to all aspects of the LEC's network, (iii) offer resale of its telecommunications services at wholesale rates and (iv) permit competitors to collocate its physical plant on the LEC's property, or provide virtual collocation if physical collocation is not practicable. Under the 1996 Act's rural telephone company exemption, all of the Company's telephone subsidiaries will be exempt from the foregoing itemized obligations of incumbent LECs until such time as the state regulatory commission with jurisdiction over any such company receives notice of a bona fide request for interconnection, services or network elements and such commission determines that the request is technically feasible, not unduly economically burdensome and is consistent with the universal service provisions contained in the 1996 Act. The 1996 Act provides that a federal-state joint board will review existing universal service support mechanisms and recommend changes to the FCC regulations in order that such regulations will be consistent with the universal service principles in the 1996 Act. In addition, the 1996 Act provides that all telecommunications carriers providing interstate services shall contribute to universal service support mechanisms. Management believes that the 1996 Act will ultimately increase competition in its franchised telephone service areas, although the form and degree of competition cannot be ascertained until such time as the FCC (and, in certain instances, state regulatory commissions) adopts implementing regulations.

The FCC has allocated additional frequency spectrum for mobile communications technologies that are expected to be competitive with cellular, including PCS (for which the FCC began to auction operating licenses in late 1994) and mobile satellite services. The FCC has also authorized certain specialized mobile radio service licensees to configure their systems so as to operate in a manner similar to cellular systems. In addition, in connection with the well-publicized convergence of telecommunications, cable, video, computer and other technologies, several large companies have announced plans to offer products that would significantly enhance current communications and data transmission services and, in some instances, introduce new two-way video, entertainment, data, consumer and other multimedia services.

Competition to provide local exchange and access services is expected to initially affect large urban areas to a greater extent than rural, suburban and small urban areas such as those in which the Company's telephone operations are located. The same expectation applies to emerging competitive wireless technologies and the development of new multimedia services. The Company does not believe such competition is likely to materially affect it in the near term. The Company further believes that it may benefit from having the opportunity to observe the effects of these developments in large urban markets. The Company will continue to monitor the ongoing changes in regulation, competition and technology and consider which developments provide the most favorable opportunities for the Company to pursue.

Recent Events Affecting the Company

Revenues from the USF increased approximately \$5.4 million to \$41.7 million during 1995 after increasing \$9.7 million during 1994. The

1996 Act provides that a federal-state joint board will review existing universal service support mechanisms and recommend changes to the appropriate FCC regulations; for additional information, see Events Affecting the Telecommunications Industry. Earlier in 1995, the FCC sought public comments on proposals and policy changes relating to certain federal high-cost assistance mechanisms that provide substantial revenues to the Company, including the USF. Although the Company anticipates that it may experience a reduction in its federal support revenues at some point in the future, management believes it is premature to assess or estimate the ultimate impact thereof. There can be no assurance, however, that such impact will not be material.

In February 1996 the FCC sought public comments on whether it should initiate a rate of return represcription proceeding for LECs that are subject to rate of return regulation for interstate access revenues.

During the last two years, Wisconsin, Louisiana, Ohio, Michigan and certain other states in which the Company operates took legislative and/or regulatory steps to further introduce competition into the LEC business. A cable company has requested authorization to provide local exchange service in a portion of the Company's franchised service area in Ohio, and it is anticipated that similar action may be taken by others in the future in the Company's franchised service areas.

During 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 is required to reduce its intrastate switched access rates over a two-year period to match the rates in effect for BellSouth. The Company's access revenues were reduced approximately \$500,000 in 1995 as a result of this regulation and the Company anticipates that this directive will reduce its access revenues by 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. During 1995 certain of the Company's Louisiana telephone subsidiaries, with the LPSC's approval, recorded an aggregate of \$6.5 million of nonrecurring additional depreciation charges. The Company anticipates that certain of its Louisiana telephone subsidiaries may continue to take action to reduce earnings levels as a result of this plan.

Certain long distance carriers continue to request that the Company reduce intrastate access tariffed rates for certain of its telephone subsidiaries. There is no assurance that these requests will not result in reduced intrastate access revenues in the future.

Certain revenues determined under the FCC's cost separation rules are affected by the number of access lines served by a specific telephone company. During 1995 the customer base of one of the Company's telephone subsidiaries in Michigan increased above 50,000 access lines, which resulted in a decrease in revenues of approximately \$700,000. An additional decrease in revenues of that subsidiary of approximately \$500,000 is expected in 1996. In addition, in early 1996 another of the Company's telephone subsidiaries reached 50,000 access lines and it is anticipated that revenues for that subsidiary will decrease approximately \$1.5 million in 1996 as a result thereof.

Other Matters

The Company's regulated telephone operations are subject to the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation," under which the Company is required to account for the economic effects of the rate-making process, including the recognition of depreciation of plant and equipment over lives approved by regulators. The ongoing applicability of SFAS 71 to the Company's regulated telephone operations is being monitored due to the changing regulatory, competitive and legislative environments. When the regulated operations of the Company no longer qualify for the application of SFAS 71, the required accounting impact, the amount of which has not been determined, will result in a material, extraordinary, noncash charge against earnings. See Note 12 of Notes to Consolidated Financial Statements for additional information.

The Company has certain obligations based on federal, state and local laws relating to the protection of the environment. Costs of compliance through 1995 have not been material and the Company currently has no reason to believe that such costs will become material.

Item 8. Financial Statements and Supplementary Data

Report of Management

The Shareholders
Century Telephone Enterprises, Inc.:

Management has prepared and is responsible for the Company's consolidated financial statements. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles and necessarily include amounts determined using our best judgments and estimates with consideration given to materiality.

The Company maintains internal control systems and related policies and procedures designed to provide reasonable assurance that the accounting records accurately reflect business transactions and that the transactions are in accordance with management's authorization. The design, monitoring and revision of the systems of internal control involve, among other things, our judgment with respect to the relative cost and expected benefits of specific control measures. Additionally, the Company maintains an internal auditing function which independently evaluates the effectiveness of internal controls, policies and procedures and formally reports on the adequacy and effectiveness thereof.

The Company's consolidated financial statements have been audited by KPMG Peat Marwick LLP, independent certified public accountants, who have expressed their opinion with respect to the fairness of the consolidated financial statements. Their audit was conducted in accordance with generally accepted auditing standards, which includes the consideration of the Company's internal controls to the extent necessary to form an independent opinion on the consolidated financial statements prepared by management.

The Audit Committee of the Board of Directors is composed of directors who are not officers or employees of the Company. The Committee meets periodically with the independent certified public accountants, internal auditors and management. The Committee considers the audit scope and discusses internal control, financial and reporting matters. Both the independent and internal auditors have free access to the Committee.

/s/ R. Stewart Ewing, Jr.

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

Independent Auditors' Report

The Board of Directors
Century Telephone Enterprises, Inc.:

We have audited the consolidated financial statements of Century Telephone Enterprises, Inc. and subsidiaries as listed in Item 14a(i). In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedules as listed in Item 14a(ii). These consolidated financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Century Telephone Enterprises, Inc. and subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1995, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG Peat Marwick LLP

KPMG PEAT MARWICK LLP

*Shreveport, Louisiana
January 29, 1996*

CENTURY TELEPHONE ENTERPRISES, INC. Consolidated Statements of Income

	Year ended December 31,		
	1995	1994	1993
	(Dollars in thousands, except per share amounts)		
OPERATING REVENUES			
Telephone	\$419,242	391,265	350,330
Mobile Communications	197,494	150,802	84,712
Other	28,104	22,534	20,633
Total operating revenues	644,840	564,601	455,675

OPERATING EXPENSES			
Cost of sales and operating expenses	328,151	296,082	250,092
Depreciation and amortization	113,770	95,713	77,574

Total operating expenses	441,921	391,795	327,666

OPERATING INCOME	202,919	172,806	128,009

OTHER INCOME (EXPENSE)			
Interest expense	(43,615)	(42,577)	(30,149)
Income from unconsolidated cellular entities	20,084	15,698	6,626
Gain on sales of assets	6,782	15,877	1,661
Minority interest	(8,084)	(3,377)	(516)
Other income and expense	4,982	3,111	625

Total other income (expense)	(19,851)	(11,268)	(21,753)

INCOME BEFORE INCOME TAXES	183,068	161,538	106,256
Income tax expense	68,292	61,300	37,252

NET INCOME	\$114,776	100,238	69,004
=====			
PRIMARY EARNINGS PER SHARE	\$ 1.97	1.88	1.35
=====			
FULLY DILUTED EARNINGS PER SHARE	\$ 1.95	1.80	1.32
=====			
DIVIDENDS PER COMMON SHARE	\$.33	.32	.31
=====			

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC. Consolidated Balance Sheets

			December 31,

			1995 1994

			(Dollars in thousands)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$	8,540	7,154
Accounts receivable			
Customers, less allowance of \$2,768 and \$2,360		50,943	40,824
Other		24,219	23,180
Materials and supplies, at average cost		6,608	7,090
Other		5,019	2,980

Total current assets		95,329	81,228

NET PROPERTY, PLANT AND EQUIPMENT		1,047,808	947,131

INVESTMENTS AND OTHER ASSETS			
Excess cost of net assets acquired, less accumulated			
amortization of \$52,944 and \$40,756		493,655	441,436
Other		225,629	173,458

Total investments and other assets		719,284	614,894

TOTAL ASSETS	\$	1,862,421	1,643,253
=====			
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Current maturities of long-term debt	\$	15,325	12,718
Notes payable		14,199	158,000
Accounts payable		55,329	52,331
Accrued expenses and other current liabilities			

Salaries and benefits	18,178	17,884
Taxes	12,489	16,530
Interest	6,024	8,243
Other	5,337	9,237
Advance billings and customer deposits	13,043	11,725
Total current liabilities	139,924	286,668
LONG-TERM DEBT	622,904	518,603
DEFERRED CREDITS AND OTHER LIABILITIES	211,169	187,746
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 175,000,000 shares, issued and outstanding 59,113,670 and 53,574,361 shares	59,114	53,574
Paid-in capital	453,584	319,235
Retained earnings	387,424	291,999
Unearned ESOP shares	(13,960)	(16,840)
Preferred stock - non-redeemable	2,262	2,268
Total stockholders' equity	888,424	650,236
TOTAL LIABILITIES AND EQUITY	\$ 1,862,421	1,643,253

See accompanying notes to consolidated financial statements.

CENTURY TELEPHONE ENTERPRISES, INC.
Consolidated Statements of Cash Flows

	Year ended December 31,		
	1995	1994	1993
	(Dollars in thousands)		
OPERATING ACTIVITIES			
Net income	\$114,776	100,238	69,004
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	113,770	95,713	77,574
Income from unconsolidated cellular entities	(20,084)	(15,698)	(6,626)
Minority interest	8,084	3,377	516
Deferred income taxes	9,563	7,423	6,781
Gain on sales of assets	(6,782)	(15,877)	(1,661)
Changes in current assets and current liabilities:			
Increase in accounts receivable	(8,949)	(1,581)	(7,026)
Increase (decrease) in accounts payable	2,656	(2,383)	11,024
Increase (decrease) in other accrued taxes	(4,134)	8,347	(1,476)
Changes in other current assets and other current liabilities, net	(4,413)	6,543	2,135
Increase in other noncurrent liabilities	5,754	4,092	8,020
Other, net	5,497	9,610	8,489
Net cash provided by operating activities	215,738	199,804	166,754
INVESTING ACTIVITIES			
Payments for property, plant and equipment	(196,592)	(200,776)	(204,229)
Acquisitions, net of cash acquired	(22,130)	(55,979)	(37,116)
Investment in unconsolidated personal communications services entity	(20,000)	-	-
Note receivable	833	(25,000)	-
Investments in unconsolidated cellular entities	(8,013)	(5,516)	(3,605)
Distributions from unconsolidated cellular entities	4,957	5,969	1,587
Proceeds from sales of assets	19,953	10,475	-
Purchase of life insurance investment	(6,418)	(7,664)	(7,670)
Other, net	(396)	(1,764)	2,361
Net cash used in investing activities	(227,806)	(280,255)	(248,672)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	203,987	155,427	35,847
Payments of long-term debt	(18,377)	(59,792)	(32,564)

Notes payable to banks, net	(158,000)	(7,700)	88,285
Proceeds from issuance of common stock	6,522	4,814	3,529
Cash dividends	(19,351)	(17,184)	(15,735)
Other, net	(1,327)	2,263	2,562
Net cash provided by financing activities	13,454	77,828	81,924
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,386	(2,623)	6
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,154	9,777	9,771
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,540	7,154	9,777

CENTURY TELEPHONE ENTERPRISES, INC.
Consolidated Statements of Stockholders' Equity

Common Shares Outstanding		Total Stock- holders' Equity	Common Stock	Paid-in Capital	Retained Earnings	Unearned ESOP Shares	Preferred Stock Non- redeem- able
(Dollars in thousands)							
48,896,876	BALANCES, DECEMBER 31, 1992	\$ 385,449	48,897	191,522	155,676	(11,100)	454
-	Net income	69,004	-	-	69,004	-	-
	Issuance of common stock through dividend reinvestment, incentive and benefit plans	3,529	215	3,314	-	-	-
214,954							
2,182,875	Issuance of common stock for acquisitions	68,172	2,183	65,989	-	-	-
	Amortization of unearned compensation and other	1,469	-	1,469	-	-	-
-	Release of ESOP shares	1,880	-	-	-	1,880	-
-	Common stock dividends - \$.31 per share	(15,703)	-	-	(15,703)	-	-
-	Preferred stock dividends	(32)	-	-	(32)	-	-
51,294,705	BALANCES, DECEMBER 31, 1993	513,768	51,295	262,294	208,945	(9,220)	454
-	Net income	100,238	-	-	100,238	-	-
	Issuance of common stock through dividend reinvestment, incentive and benefit plans	4,814	277	4,537	-	-	-
276,657							
-	Issuance of preferred stock for acquisition	1,875	-	-	-	-	1,875
2,000,578	Issuance of common stock for acquisitions	52,311	2,000	50,311	-	-	-
	Conversion of preferred stock into common stock	-	2	59	-	-	(61)
2,421							
	Amortization of unearned compensation and other	2,034	-	2,034	-	-	-
-	Release of ESOP shares	2,380	-	-	-	2,380	-
-	Commitment to ESOP	(10,000)	-	-	-	(10,000)	-
-	Common stock dividends - \$.32 per share	(17,084)	-	-	(17,084)	-	-
-	Preferred stock dividends	(100)	-	-	(100)	-	-
53,574,361	BALANCES, DECEMBER 31, 1994	650,236	53,574	319,235	291,999	(16,840)	2,268
-	Net income	114,776	-	-	114,776	-	-
	Issuance of common stock through dividend reinvestment, incentive and benefit plans	6,522	422	6,100	-	-	-
421,545							
577,330	Issuance of common stock for acquisition	16,558	577	15,981	-	-	-
	Conversion of preferred stock into common stock	-	1	5	-	-	(6)
382							
	Conversion of debentures into common stock	113,136	4,540	108,596	-	-	-
4,540,052							
	Amortization of unearned compensation and other	3,667	-	3,667	-	-	-
-	Release of ESOP shares	2,880	-	-	-	2,880	-
-	Common stock dividends - \$.33 per share	(19,228)	-	-	(19,228)	-	-
-	Preferred stock dividends	(123)	-	-	(123)	-	-
59,113,670	BALANCES, DECEMBER 31, 1995	\$ 888,424	59,114	453,584	387,424	(13,960)	2,262

CENTURY TELEPHONE ENTERPRISES, INC.

Notes to Consolidated Financial Statements December 31, 1995

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation - The consolidated financial statements of Century Telephone Enterprises, Inc. and subsidiaries (the "Company") include the accounts of Century Telephone Enterprises, Inc. ("Century") and its majority-owned subsidiaries and partnerships. The Company's regulated telephone operations are subject to the provisions of Statement of Financial Accounting Standards No. 71, "Accounting for the Effects of Certain Types of Regulation." Investments in cellular entities where the Company does not own a majority interest are accounted for using the equity method of accounting.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (ii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition - Revenues are recognized when earned. Certain of the Company's telephone subsidiaries participate in revenue pools with other telephone companies for interstate revenue and for certain intrastate revenue. Such pools are funded by toll revenue and/or access charges within state jurisdictions and by access charges in the interstate market. Revenues earned through the various pooling processes are initially recorded based on the Company's estimates.

Property, plant and equipment - Telephone plant is stated substantially at original cost of construction. Normal retirements of telephone property are charged against accumulated depreciation, along with the costs of removal, less salvage, with no gain or loss recognized. Renewals and betterments of plant and equipment are capitalized while repairs, as well as renewals of minor items, are charged to operating expense. Depreciation of telephone properties is provided on the straight line method, using class or overall group rates acceptable to the regulatory authorities; such rates range from 2.2% to 25%.

Non-telephone property is stated at cost and, when sold or retired, a gain or loss is recognized. Depreciation of such property is provided on the straight line method over estimated service lives ranging from three to 30 years.

Excess cost of net assets acquired - The excess cost of net assets acquired of substantially all of the Company's acquisitions accounted for as purchases (goodwill) is being amortized over forty years. The carrying value of goodwill is reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that such carrying value may not be recoverable, by assessing the recoverability of such carrying value through estimated undiscounted future net cash flows.

Affiliated transactions - Certain service subsidiaries of Century provide installation and maintenance services, materials and supplies, and managerial, technical and accounting services to subsidiaries. In addition, Century provides and bills management services to subsidiaries and in certain instances makes interest bearing advances to finance construction of plant and purchases of equipment. These transactions are recorded by the Company's telephone subsidiaries at their cost to the extent permitted by regulatory authorities. Intercompany profit on transactions with regulated affiliates is limited to a reasonable return on investment and has not been eliminated in connection with consolidating the results of operations of Century and its subsidiaries. Intercompany profit on transactions with nonregulated affiliates has been eliminated.

Income taxes - Century files a consolidated federal income tax return with its eligible subsidiaries. The Company uses the asset and liability method of accounting for income taxes under which deferred tax assets and liabilities are established for the future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Investment tax credits related to telephone plant have been deferred and are being amortized as a reduction of federal income tax expense over the estimated useful lives of the assets giving rise to the credits.

Earnings per share - Primary earnings per share amounts are determined on the basis of the weighted average number of common shares and common stock equivalents outstanding during the year. The weighted average number of shares used in computing primary earnings per share was 58.1 million in 1995, 53.4 million in 1994, and 51.2 million in 1993.

Fully diluted earnings per share amounts give further effect to convertible securities, primarily Century's convertible debentures (all of which were converted into common stock in 1995), which are not common stock equivalents. The weighted average number of shares used in computing fully diluted earnings per share was 59.1 million, 58.1 million and 55.9 million in 1995, 1994 and 1993, respectively.

Cash equivalents - The Company considers short-term investments with a maturity at date of purchase of three months or less to be cash equivalents.

Reclassifications - Certain amounts previously reported for prior years have been reclassified to conform with the 1995 presentation, including (i) the results of operations of subsidiaries of the Company which are not included in telephone or mobile communications operations have been reclassified to operating income from other income and expense and (ii) the provision for uncollectible accounts in the Company's telephone operations, previously reflected as a reduction in other revenues, has been reclassified as an expense.

(2) PROPERTY, PLANT AND EQUIPMENT

Net property, plant and equipment at December 31, 1995 and 1994 was composed of the following:

December 31,	1995	1994
(Dollars in thousands)		
Telephone, at original cost		
Cable and wire	\$ 661,429	580,012
Central office	357,359	310,684
General support	99,145	91,722
Information origination/termination	24,394	21,478
Construction in progress	59,859	67,244
Other	5,161	5,356
	1,207,347	1,076,496
Accumulated depreciation	(357,633)	(295,255)
	849,714	781,241
Mobile Communications, at cost		
Cell site	140,462	104,553
General support	33,651	34,235
Construction in progress	16,162	12,602
Other	1,319	915
	191,594	152,305
Accumulated depreciation	(54,927)	(38,552)
	136,667	113,753
Corporate and other, at cost		
General support	86,149	81,932
Other	14,464	3,474
	100,613	85,406
Accumulated depreciation	(39,186)	(33,269)
	61,427	52,137
Net property, plant and equipment	\$1,047,808	947,131

Depreciation expense was \$102.1 million, \$84.8 million and \$70.7 million in

1995, 1994 and 1993, respectively. The composite depreciation rate for telephone properties was 7.5% for 1995 and 7.1% for 1994 and 1993.

(3) INVESTMENTS AND OTHER ASSETS

Investments and other assets at December 31, 1995 and 1994 were composed of the following:

December 31,	1995	1994
(Dollars in thousands)		
Excess cost of net assets acquired, less accumulated amortization	\$ 493,655	441,436
Investments in unconsolidated cellular entities	83,552	59,360
Cash surrender value of life insurance contracts, net	54,697	47,637
Note receivable, less current portion	22,500	24,167
Investment in unconsolidated personal communications services entity, at cost	20,000	-
Marketable equity securities	8,478	8,478
Other	36,402	33,816
	\$ 719,284	614,894

Goodwill amortization of \$11.4 million, \$10.6 million and \$6.2 million for 1995, 1994 and 1993, respectively, is included in "Depreciation and

amortization."

In 1995 the Company invested \$20.0 million in exchange for a minority equity interest in an entity formed to participate in the Federal Communication Commission's auction of Basic Trading Area Personal Communications Services licenses.

In 1994 Century loaned an unaffiliated telephone holding company \$25.0 million. The loan bears interest at prime plus 1.5%; interest is due quarterly. Quarterly principal payments began in August 1995 and the unpaid balance becomes due in May 1998. Century received a security interest in the holding company's capital stock, a guaranty from such company's principal stockholder and first refusal rights to acquire certain properties under various specified circumstances.

(4) INVESTMENTS IN UNCONSOLIDATED CELLULAR ENTITIES

The Company's share of earnings from cellular entities in which it does not own a majority interest was \$21.4 million, \$16.9 million and \$7.6 million in 1995, 1994 and 1993, respectively, and is included, net of \$1.3 million, \$1.2 million and \$966,000 of amortization of goodwill attributable to such investments, in "Income from unconsolidated cellular entities."

Over 77% of the 1995 income from unconsolidated cellular entities was attributable to the following investments.

	Ownership interest
GTE Mobilnet of Austin Limited Partnership	35%
Alltel Cellular Associates of Arkansas Limited Partnership	36%
Lafayette MSA Limited Partnership	49%
Detroit SMSA Limited Partnership	3%
New Mexico 4 - Santa Fe RSA West Limited Partnership	36%

The following summarizes the unaudited combined assets, liabilities and equity, and the unaudited combined results of operations, of the cellular entities in which the Company's investments are accounted for by the equity method.

December 31,	1995	1994	

	(Dollars in thousands)		
	(unaudited)		
Assets			
Current assets	\$204,222		76,191
Property and other noncurrent assets	487,073		277,269

	\$691,295		353,460
=====			
Liabilities and equity			
Current liabilities	\$ 79,085		48,144
Noncurrent liabilities	6,922		11,080
Equity	605,288		294,236

	\$691,295		353,460
=====			
Year ended December 31,	1995	1994	1993

	(Dollars in thousands)		
	(unaudited)		
Results of operations			
Revenues	\$743,779	329,907	236,230
Operating income	\$266,355	93,512	52,742
Net income	\$268,967	92,446	53,607

Consolidated retained earnings at December 31, 1995 which represented undistributed earnings of unconsolidated cellular entities was \$30.4 million.

(5) LONG-TERM DEBT

December 31,	1995	1994
	(Dollars in thousands)	
Century		
6.0% convertible debentures	\$ -	115,000
8.25% senior notes, series B, due 2024	100,000	100,000

7.2% senior notes, series D, due 2025	100,000	-
9.4%* senior notes, due through 2004	60,400	65,000
7.75% senior notes, series A, due 2004	50,000	50,000
6.55% senior notes, series C, due 2005	50,000	-
6.07%* notes payable to banks, due 2000	22,500	-
7.2%* Employee Stock Ownership Plan commitment, due in installments through 2004	13,960	16,840
10.5%* notes, due in installments through 2006	674	975
<hr/>		
Total Century	397,534	347,815
<hr/>		
Subsidiaries		
First mortgage debt		
5.9%* notes, payable to agencies of the United States government and cooperative lending associations, due in installments through 2026	202,037	166,175
6.8%* bonds, due in installments through 2002	4,760	7,094
Other debt		
6.5% note, due in installments through 2001	13,714	-
7.4%* notes, due in installments through 2020	19,164	8,632
8.1%* capital lease obligations, due in installments through 1998	1,020	1,605
<hr/>		
Total subsidiaries	240,695	183,506
<hr/>		
Total long-term debt	638,229	531,321
Less current maturities	15,325	12,718
<hr/>		
Long-term debt, excluding current maturities	\$622,904	518,603
<hr/>		

* weighted average interest rate at December 31, 1995

The approximate annual debt maturities (including sinking fund requirements) for the five years subsequent to December 31, 1995 are as follows: 1996 - \$15.3 million; 1997 - \$18.4 million; 1998 - \$16.3 million; 1999 - \$15.9 million; and 2000 - \$69.8 million.

In January 1995 Century called for redemption its \$115.0 million of outstanding 6% convertible debentures due 2007. All of the debentures were converted into Century common stock by the debenture holders in February 1995 at a conversion price of \$25.33 per share. If Century had issued common stock instead of the debentures, primary earnings per share for the years ended December 31, 1995, 1994 and 1993 would have been \$1.95, \$1.81 and \$1.32, respectively.

During the fourth quarter of 1995, Century issued \$50.0 million of 10-year, 6.55% senior notes and \$100.0 million of 30-year, 7.20% senior notes under the \$400.0 million shelf registration statement that Century filed during the first quarter of 1994. The proceeds were used to reduce Century's short-term indebtedness under various credit facilities. Interest payments are due semi-annually and principal payments are due in 2005 and 2025 upon maturity of the 10-year and 30-year notes, respectively. The 30-year notes may be redeemed by Century at any time subject to certain "make-whole" provisions contained therein.

In May 1994 Century issued \$50.0 million of 10-year, 7.75% senior notes and \$100.0 million of 30-year, 8.25% senior notes under the \$400.0 million shelf registration statement filed during the first quarter of 1994. The proceeds were used to reduce certain of the Company's short-term bank indebtedness. Interest payments are due semi-annually and principal payments are due in 2004 and 2024 upon maturity of the 10-year and 30-year notes, respectively. The 30-year notes may be redeemed by Century on or after May 1, 2004 subject to a premium schedule which declines from 103.62% as of May 1, 2004 to 100% as of May 1, 2014.

Certain of the Company's loan agreements contain various restrictions, among which are limitations regarding issuance of additional debt, payment of cash dividends, reacquisition of the Company's capital stock and other matters. At December 31, 1995, all of the consolidated retained earnings reflected on the balance sheet was available for the declaration of dividends.

The transfer of funds from certain consolidated subsidiaries to Century is restricted by various loan agreements. Subsidiaries which have loans from government agencies and cooperative lending associations, or have issued first mortgage bonds, generally may not loan or advance any funds to Century, but may pay dividends if certain financial ratios are met. At December 31, 1995, restricted net assets of subsidiaries were \$253.8 million. Subsidiaries' retained earnings in excess of amounts restricted by debt covenants totaled \$412.0 million.

Most of the Company's telephone property, plant and equipment is pledged to secure the long-term debt of subsidiaries.

At December 31, 1994, Century had in place certain long-term credit facilities under which the borrowings as of December 31, 1994 were included in "Notes payable" on the accompanying balance sheet. The weighted average interest rate for notes payable was 6.5% as of December 31, 1994.

Short-term borrowings of \$22.5 million at December 31, 1995, along with \$30.0 million of debt becoming due in 1996, were classified as long-term debt on the accompanying balance sheet as the Company had available an aggregate of \$145.0 million in its two long-term revolving

credit facilities amended or entered into in 1995. The Company intends to refinance such debt using the facilities, both of which are multi-year agreements which expire in August 2000 and contain a variety of pricing options including competitive bid options.

Century's telephone subsidiaries had approximately \$142.6 million in commitments for long-term financing from the Rural Utilities Service available at December 31, 1995. Approximately \$248.6 million of additional borrowings, of which \$140.0 million were under uncommitted facilities, were available to the Company through lines of credit with various banks. In addition, Century had \$100.0 million of senior unsecured debt securities under the 1994 shelf registration statement which had not been issued.

(6) STOCK OPTION PROGRAM

Century currently has an incentive compensation program which allows the Board of Directors, through the Compensation Committee, to grant incentives to employees in any one or a combination of the following forms: incentive stock options and non-qualified stock options; stock appreciation rights; restricted stock; and performance shares.

Stock option transactions during 1993, 1994 and 1995 were as follows:

	Number of options	Average price
-----	-----	-----
Outstanding December 31, 1992	2,432,869	\$ 20.72
Exercised	(51,120)	9.90
-----	-----	-----
Outstanding December 31, 1993	2,381,749	20.96
Exercised	(139,282)	11.10
Granted at market price	31,000	26.25
-----	-----	-----
Outstanding December 31, 1994	2,273,467	21.63
Exercised	(272,300)	10.12
Granted above market price	634,031	36.15
-----	-----	-----
Outstanding December 31, 1995	2,635,198	25.46
=====	=====	=====
Exercisable December 31, 1994	2,143,873	21.57
-----	-----	-----
Exercisable December 31, 1995	2,604,198	26.32
=====	=====	=====

All of the options expire ten years after the date of grant. As of December 31, 1995, Century has reserved 4.0 million shares of common stock which may be issued under the incentive compensation program.

The Company will adopt Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," in 1996. The Company currently plans to continue to measure compensation cost for employee stock compensation plans using the method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees."

(7) DEFERRED CREDITS AND OTHER LIABILITIES

Deferred credits and other liabilities at December 31, 1995 and 1994 were composed of the following:

December 31,	1995	1994
-----	-----	-----
	(Dollars in thousands)	
Deferred federal and state income taxes	\$ 93,118	73,966
Accrued postretirement benefit costs	44,513	41,126
Regulatory liability - income taxes	27,027	31,278
Minority interest	29,354	22,585
Deferred investment tax credits	6,026	8,175
Other	11,131	10,616
-----	-----	-----
	\$211,169	187,746
=====	=====	=====

(8) INCOME TAXES

Income tax expense for the years ended December 31, 1995, 1994 and 1993 was allocated as follows:

Year ended December 31,	1995	1994	1993
-----	-----	-----	-----
	(Dollars in thousands)		

Net tax expense in the consolidated statements of income	\$ 68,292	61,300	37,252
Stockholders' equity, primarily for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	(2,354)	(1,243)	(800)
	\$ 65,938	60,057	36,452
=====			

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1995 and 1994 were as follows:

December 31,	1995	1994
- - - - -		
	(Dollars in thousands)	
Deferred tax assets:		
Postretirement benefit costs	\$ 15,314	12,908
Net operating loss carryforwards of an acquired subsidiary	9,234	10,283
Regulatory liability	9,460	10,948
Deferred compensation	2,659	2,676
Deferred investment tax credits	1,918	2,658
Other employee benefits	4,673	4,205
Other	3,227	2,556
- - - - -		
Total gross deferred tax assets	46,485	46,234
Less valuation allowance	(9,234)	(10,283)
- - - - -		
Net deferred tax assets	37,251	35,951
- - - - -		
Deferred tax liabilities:		
Property, plant and equipment, primarily due to depreciation differences	(117,095)	(97,073)
Intercompany profits	(3,787)	(3,497)
Other	(9,487)	(9,347)
- - - - -		
Total gross deferred tax liabilities	(130,369)	(109,917)
- - - - -		
Net deferred tax liability	\$ (93,118)	(73,966)
=====		

As a result of the acquisition of Celutel, Inc. ("Celutel") (see Note 14) the Company had \$26.4 million and \$29.4 million of net operating loss carryforwards at December 31, 1995 and 1994, respectively, which related to various entities acquired. The yearly utilization of such loss carryforwards is limited to separate entity taxable income; the loss carryforwards are further limited by certain Internal Revenue Code regulations. During 1995 the Company utilized \$3.0 million of such losses; the related tax benefits reduced excess cost of net assets acquired. Subsequently recognized tax benefits applicable to the net operating loss carryforwards will reduce excess cost of net assets acquired. The net operating loss carryforwards expire between 2002 and 2008.

Income tax expense was as follows:

Year ended December 31,	1995	1994	1993
- - - - -			
	(Dollars in thousands)		
Federal			
Current	\$53,554	47,969	26,409
Deferred	9,021	5,703	6,133
State			
Current	5,175	5,908	4,062
Deferred	542	1,720	648
- - - - -			
	\$68,292	61,300	37,252
=====			

The following is a reconciliation from the statutory federal income tax rate to the Company's effective income tax rate:

Year ended December 31, 1995 1994 1993
(Percentage of pre-tax income)

Statutory federal income tax rate	35.0%	35.0	35.0
State income taxes, net of federal			

income tax benefit	2.0	3.0	2.9
Amortization of nondeductible excess cost of net assets acquired	1.8	2.1	1.2
Amortization of investment tax credits	(1.3)	(1.4)	(2.0)
Amortization of regulatory liability	(1.0)	(1.2)	(1.8)
Other, net	.8	.4	(.2)
-----	-----	-----	-----
Effective income tax rate	37.3%	37.9	35.1
=====	=====	=====	=====

(9) POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

The Company sponsors defined benefit health care plans that provide postretirement medical, life and dental benefits to substantially all retired full-time employees.

Net periodic postretirement benefit cost for 1995, 1994 and 1993 included the following components:

Year ended December 31,	1995	1994	1993
-----	-----	-----	-----
	(Dollars in thousands)		
Service cost	\$1,769	2,007	1,640
Interest cost	3,972	3,473	3,008
Amortization of unrecognized actuarial losses (gains)	(50)	447	365
Amortization of unrecognized prior service cost	121	121	86
-----	-----	-----	-----
Net periodic postretirement benefit cost	\$5,812	6,048	5,099
=====	=====	=====	=====

The following table sets forth the amounts recognized as liabilities for postretirement benefits in the Company's consolidated balance sheets at December 31, 1995 and 1994.

December 31,	1995	1994
-----	-----	-----
	(Dollars in thousands)	
Accumulated postretirement benefit obligation:		
Retirees and retirees' dependents	\$ 26,185	19,079
Fully eligible active plan participants	9,972	8,300
Other active plan participants	23,971	16,430
-----	-----	-----
Accumulated postretirement benefit obligation	60,128	43,809
Plan assets	-	-
Unrecognized prior service cost	(1,424)	(1,546)
Unrecognized net gain (loss)	(12,881)	173
-----	-----	-----
Accrued postretirement benefit costs	\$ 45,823	42,436
=====	=====	=====

For calculation purposes, a 7% health care cost rate was assumed for the first two years; the rate was assumed to decrease to 6% thereafter. If the assumed health care cost trend rate had been increased by one percentage point in each year, the accumulated postretirement benefit obligation as of December 31, 1995 would have increased \$5.3 million and the net periodic postretirement benefit cost for the year ended December 31, 1995 would have increased \$405,000.

The discount rates used in determining the accumulated postretirement benefit obligation as of December 31, 1995 and 1994 were 7.25% and 8.5%, respectively.

In the first quarter of 1994 the Company adopted Statement of Financial Accounting Standards No. 112 ("SFAS 112"), "Employers' Accounting for Postemployment Benefits." Liabilities for postemployment benefits in the consolidated balance sheet as of December 31, 1993 were not materially different than those required by SFAS 112; therefore, no cumulative effect of change in accounting principle was recorded upon adoption of SFAS 112.

(10) STOCKHOLDERS' EQUITY

Common stock - At December 31, 1995, unissued shares of Century common stock were reserved as follows:

December 31,	1995
-----	-----

	(In thousands)
Stock option plans	4,001
Acquisitions	1,178
Employee stock purchase plan	506
Dividend reinvestment plan	166
Conversion of convertible preferred stock	193
Other employee benefit plans	1,238
-----	-----
	7,282
=====	=====

Under Century's Articles of Incorporation each share of common stock beneficially owned continuously by the same person since May 30, 1987 generally entitles the holder thereof to ten votes per share. All other shares entitle the holder to one vote per share. At December 31, 1995, 8.1 million shares of common stock were entitled to ten votes per share.

Preferred stock - As of December 31, 1995, Century had 2.0 million shares of preferred stock, \$25 par value per share, authorized. At December 31, 1995 and 1994 there were 90,467 and 90,707 shares, respectively, of outstanding preferred stock. Holders of currently outstanding Century preferred stock are entitled to

(i) receive cumulative dividends, (ii) receive preferential distributions equal to \$25 per share plus unpaid dividends upon Century's liquidation and (iii) vote as a single class with the holders of common stock.

Shareholders' Rights Plan - In 1986 the Board of Directors declared a dividend of one preferred stock purchase right for each common share outstanding or that shall become outstanding prior to November 26, 1996. With certain exceptions, if a person or group acquires beneficial ownership of 15% or more of Century common shares or commences a tender or exchange offer which upon consummation would result in ownership of 30% or more of the common shares, each right held by shareholders, other than such person or group, may be exercised to buy (i) eight twenty-sevenths of one one-hundredth of a share of Series AA Junior Participating Preferred Stock of Century at a price of \$85 per one one-hundredth of a share or (ii) in lieu thereof, subject to certain restrictions, the number of shares of Century common stock having a market value equal to two times such purchase price. The rights, which do not have voting rights, expire on November 27, 1996 and may be redeemed by Century at a price of \$.05 per right at any time before they become exercisable. If, at any time the rights are exercisable, Century is a party to a merger or other business combination or certain other transactions occur, each right will entitle its holder to purchase at the exercise price of the right a number of shares of common stock of the surviving company having a fair market value of two times the exercise price of the right. At December 31, 1995, 167,000 shares of Series AA Junior Participating Preferred Stock were reserved for issuance under the Rights Plan.

(11) 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 Rural Service Areas ("RSAs") located primarily in western states and three Metropolitan Statistical Areas ("MSAs") in the midwest. These transactions resulted in a pre-tax gain of \$5.9 million (\$2.0 million after-tax). During the fourth quarter of 1995, the Company sold certain assets of one of its subsidiaries for \$2.0 million which resulted in a pre-tax gain of \$873,000 (\$567,000 after-tax).

In 1994 the Company sold the assets comprising an RSA cellular system in Minnesota; the Company received (i) the assets of the Pine Bluff, Arkansas MSA wireline cellular system and (ii) \$10.5 million cash. The transaction resulted in a pre-tax gain of \$14.7 million (\$8.5 million after-tax). The Company also sold the assets of its paging operations during 1994 and recognized a gain of \$1.2 million (\$756,000 after-tax).

During 1993 the Company sold a minority investment in a telephone company which resulted in a pre-tax gain of \$1.7 million (\$1.1 million after-tax).

(12) ACCOUNTING FOR THE EFFECTS OF REGULATION

The Company's regulated telephone operations are subject to the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation." Actions of a regulator can provide reasonable assurance of the existence of an asset, reduce or eliminate the value of an asset and impose a liability on a regulated enterprise. SFAS 71 requires that, if a conflict exists between the application of SFAS 71 and another authoritative pronouncement, SFAS 71 is to be followed because other authoritative pronouncements do not consider the economic effects of the rate-making process. Therefore, regulatory assets and liabilities established by the actions of a regulator are required to be recorded, and, accordingly, reflected in the balance sheet of an entity subject to SFAS 71.

The Company's consolidated balance sheet as of December 31, 1995 included regulatory assets of approximately \$8.7 million and regulatory liabilities of approximately \$27.0 million exclusive of (i) property, plant and equipment, (ii) accumulated depreciation and (iii) deferred income taxes and deferred investment tax credits associated with regulatory assets and liabilities. The \$8.7 million of regulatory assets included assets established in connection with the adoption of Statement of Financial Accounting Standards No. 106, "Employers Accounting for Postretirement Benefits Other Than Pensions" (\$2.1 million) and Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting For Income Taxes" (\$3.2 million), extraordinary retirements (\$305,000), compensated absences (\$401,000) and deferred financing costs (\$2.7 million). The \$27.0 million of regulatory liabilities was established in connection with the adoption of SFAS 109. Net deferred income tax assets related to the regulatory assets and liabilities quantified above were \$7.4 million.

Property, plant and equipment of the Company's regulated telephone operations has been depreciated using generally the straight line method over lives approved by regulators. Such depreciable lives have generally exceeded the depreciable lives used by nonregulated entities. In addition, in accordance with regulatory accounting, retirements of regulated telephone property have been charged to accumulated depreciation, along with the costs of removal, less salvage, with no gain or loss recognized. These regulatory accounting policies have resulted in accumulated depreciation being significantly less than if the Company's telephone operations had not been regulated.

Statement of Financial Accounting Standards No. 101 ("SFAS 101"), "Regulated Enterprises Accounting for the Discontinuance of Application of FASB Statement No. 71," specifies the accounting required when an enterprise ceases to meet the criteria for application of SFAS 71. SFAS 101 requires the elimination of the effects of any actions of regulators that have been recognized as assets and liabilities in accordance with SFAS 71 but would not have been recognized as assets and liabilities by enterprises in general. SFAS 101 further provides that the carrying amounts of property, plant and equipment are to be adjusted only to the extent the assets are impaired and that impairment shall be judged in the same manner as for enterprises in general. The Company has not determined (i) the amount of additional accumulated depreciation which will have to be recorded nor (ii) the amount, if any, by which property, plant and equipment would be impaired when the Company's regulated operations cease to become subject to SFAS

71. In addition, deferred tax liabilities and deferred investment tax credits will be impacted based on the change in the temporary differences for property, plant and equipment and accumulated depreciation.

The ongoing applicability of SFAS 71 to the Company's regulated telephone operations is being monitored due to the changing regulatory, competitive and legislative environments. When the regulated operations of the Company no longer qualify for the application of SFAS 71, the net adjustments required will result in a material, extraordinary, noncash charge against earnings. Telephone subsidiaries accounting and reporting for regulatory purposes will not be affected by the discontinued application of SFAS 71.

(13) RETIREMENT AND SAVINGS PLANS

Century sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement, death and disability benefits. In addition, the bargaining unit employees of a subsidiary are provided benefits under a defined benefit pension plan. At December 31, 1995 and 1994, the combined accumulated benefit obligation of the plans, substantially all of which was vested, aggregated \$18.4 million and \$15.2 million, respectively. The projected benefit obligation in excess of plan assets was \$823,000 and \$2.7 million as of December 31, 1995 and 1994, respectively. During 1995 and 1994 Century funded \$2.5 million and \$3.0 million, respectively, of the obligations of the plans. Prepaid pension cost was \$2.5 million at December 31, 1995 and \$525,000 at December 31, 1994. The net periodic pension cost in 1995, 1994 and 1993 was \$928,000, \$1.2 million and \$1.1 million, respectively. Discount rates used in determining the year end liabilities were 7.25% for 1995 and 8.5% for 1994.

Century sponsors an Employee Stock Bonus Plan ("ESBP") and an Employee Stock Ownership Plan ("ESOP"). These plans cover most employees with one year of service with the Company and are funded by Company contributions determined annually by the Board of Directors. Century also sponsors a qualified profit sharing plan pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plan") which is available to substantially all employees of the Company. The Company's matching contributions to the 401(k) Plan were \$2.4 million in 1995 and 1994 and \$2.0 million in 1993.

The Company recorded contributions related to the ESBP in the amount of \$1.6 million, \$2.3 million and \$1.8 million during 1995, 1994 and 1993, respectively. At December 31, 1995, the ESBP owned 4.3 million shares of Century common stock.

The Company's contributions to the ESOP approximate the ESOP's debt service less dividends received by the ESOP applicable to unallocated shares. The ESOP shares initially were pledged as collateral for its debt. As the debt is repaid, shares are released from collateral based on the percentage of principal payment to outstanding debt before applying the principal payment. As of each year end, such released shares are allocated to active employees.

The ESOP had outstanding debt of \$5.5 million at December 31, 1995 which was applicable to shares purchased prior to 1993. Interest incurred by the ESOP on debt applicable to such shares was \$580,000, \$728,000 and \$895,000 in 1995, 1994 and 1993, respectively. The Company contributed and expensed \$2.3 million, \$1.9 million and \$2.6 million during 1995, 1994 and 1993, respectively, with respect to such shares. Dividends on unallocated ESOP shares used for debt service by the ESOP were \$170,000 in 1995, \$288,000 in 1994 and \$335,000 in 1993. ESOP shares as of December 31, 1995 and 1994 which were purchased prior to 1993 were as follows:

December 31,	1995	1994

	(In thousands)	
Allocated shares	1,338	1,164
Unreleased shares	490	707
- - - - -	-----	
	1,828	1,871
=====		

The Company accounts for shares purchased subsequent to December 31, 1992 in accordance with Statement of Position 93-6 ("SOP 93-6"). Accordingly, as shares are released from collateral, the Company reports compensation expense equal to the current market price of the shares and the shares become outstanding for earnings per share computations. Dividends on allocated ESOP shares are recorded as a reduction of

retained earnings; dividends on unallocated ESOP shares are recorded as a reduction of debt. ESOP compensation expense applicable to shares purchased subsequent to 1992 was \$1.3 million for 1995 and \$605,000 for 1994. The fair value of unreleased ESOP shares accounted for under SOP 93-6 was \$11.2 million and \$11.7 million at December 31, 1995 and December 31, 1994, respectively. ESOP shares purchased subsequent to 1992 totaled 416,850, of which 62,527 were allocated and 354,323 were unreleased as of December 31, 1995.

(14) MAJOR ACQUISITIONS

In February 1994 the Company acquired Celutel for approximately \$106.0 million in a stock and cash transaction accounted for as a purchase. Approximately \$56.0 million of the purchase price was paid in cash, with the remainder paid through the issuance of approximately 1.9 million shares of Century common stock. At acquisition, Celutel provided cellular service to approximately 29,000 customers in five non-wireline provider systems in MSAs in Mississippi and Texas.

In April 1993 the Company acquired San Marcos Telephone Company, Inc. ("SMTTC") in a stock and cash transaction and acquired SM Telecorp, Inc., an affiliate of SMTTC, for cash. The total acquisition price for both companies approximated \$100.0 million, the stock portion of which was represented by approximately 2.2 million shares of Century common stock. As a result of the acquisitions, which were accounted for as purchases, the Company acquired approximately 22,500 telephone access lines in and around San Marcos, Texas, along with a 35% ownership interest in the Austin, Texas MSA wireline cellular market and a 9.6% interest in the Texas RSA #16 wireline cellular market.

The following pro forma information represents the consolidated results of operations of the Company as if (i) the Celutel acquisition had been combined with the Company as of January 1 of 1994 and 1993 and (ii) the San Marcos acquisition had been combined with the Company as of January 1, 1993.

Year ended December 31,	1994	1993

	(Dollars in thousands, except per share amounts) (unaudited)	
Operating revenues	\$ 543,768	467,862
Net income	\$ 98,958	62,516
Fully diluted earnings per share	\$ 1.77	1.15

The pro forma information is not necessarily indicative of the operating results that would have occurred if each major acquisition had been consummated as of January 1 of each respective period, nor is it necessarily indicative of future operating results. The actual results of operations of an acquired company are included in the Company's consolidated financial statements only from the date of acquisition.

(15) SUPPLEMENTAL CASH FLOW DISCLOSURES

The Company paid interest of \$45.8 million, \$40.8 million and \$30.1 million

during 1995, 1994 and 1993, respectively. Income taxes paid were \$62.4 million in 1995, \$41.3 million in 1994 and \$37.1 million in 1993.

Century has consummated the acquisition of various telephone and cellular operations, along with certain other assets, during the three years ended December 31, 1995. In connection with these acquisitions, the following assets were acquired, liabilities assumed and common and preferred stock issued:

Year ended December 31,	1995	1994	1993

	(Dollars in thousands)		
Property, plant and equipment	\$ 16,949	11,301	33,020
Excess cost of net assets acquired	70,124	152,239	85,251
Investments in unconsolidated cellular entities	2,804	-	7,508
Notes payable	(14,199)	-	-
Long-term debt	(38,147)	(46,478)	(18,609)
Deferred credits and other liabilities	(1,880)	(5,706)	(7,648)
Other assets and liabilities, excluding cash and cash equivalents	3,037	(1,191)	5,766
Common stock issued	(16,558)	(52,311)	(68,172)
Preferred stock issued	-	(1,875)	-

Decrease in cash due to acquisitions	\$ 22,130	55,979	37,116
=====			

Century has consummated the disposition of various telephone and cellular operations, along with certain other assets, during the three years ended December 31, 1995. In connection with these dispositions, the following assets were sold, liabilities eliminated, assets received and gain recognized:

Year ended December 31,	1995	1994	1993
(Dollars in thousands)			
Property, plant and equipment	\$ (4,399)	(2,673)	-
Excess cost of net assets acquired	(4,494)	(3,976)	-
Other assets and liabilities, excluding cash and cash equivalents	(4,278)	993	1,661
Assets of cellular system	-	11,058	-
Gain on sales of assets	(6,782)	(15,877)	(1,661)
Increase in cash due to dispositions	\$ (19,953)	(10,475)	-

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

(16) BUSINESS SEGMENTS

The Company operates in two principal segments - traditional telephone services and mobile communications services. The Company's telephone operations are conducted in rural, suburban and small urban communities in 14 states. Approximately 80% of the Company's telephone access lines are in Wisconsin, Louisiana, Michigan, Ohio and Arkansas. The Company's cellular customers are located primarily in Louisiana, Michigan, Mississippi and Texas. Other accounts receivable are primarily amounts due from various long distance carriers, principally AT&T, and several large local exchange operating companies.

	Telephone	Mobile Communications	Other	Eliminations	Total
(Dollars in thousands)					
Year ended December 31, 1995					
Operating revenues	\$ 419,242	197,494	39,580	(11,476)	644,840
Depreciation and amortization	\$ 86,324	25,427	2,019	-	113,770
Operating income	\$ 143,527	57,009	2,383	-	202,919
Year ended December 31, 1994					
Operating revenues	\$ 391,265	150,802	33,272	(10,738)	564,601
Depreciation and amortization	\$ 73,175	21,255	1,283	-	95,713
Operating income	\$ 137,992	31,443	3,371	-	172,806
Year ended December 31, 1993					
Operating revenues	\$ 350,330	84,712	30,523	(9,890)	455,675
Depreciation and amortization	\$ 65,175	11,359	1,040	-	77,574
Operating income	\$ 114,902	9,906	3,201	-	128,009

Year ended December 31,	1995	1994	1993
(Dollars in thousands)			
Operating income	\$ 202,919	172,806	128,009
Interest expense	(43,615)	(42,577)	(30,149)
Income from unconsolidated cellular entities	20,084	15,698	6,626
Gain on sales of assets	6,782	15,877	1,661
Minority interest	(8,084)	(3,377)	(516)
Other income and expense	4,982	3,111	625
Income before income taxes	\$ 183,068	161,538	106,256
Capital expenditures			
Telephone	\$ 136,006	152,336	131,180
Mobile Communications	\$ 41,990	39,937	56,092
Corporate and other	\$ 18,596	8,503	16,957
Identifiable assets			
Telephone	\$1,114,827	1,053,950	969,388
Mobile Communications	547,260	430,777	224,913
General corporate	109,096	88,305	62,827
Other	91,238	70,221	62,262
Total assets	\$1,862,421	1,643,253	1,319,390

(17) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table presents the carrying amounts and estimated fair values of certain of the Company's financial instruments at December 31, 1995 and 1994.

	Carrying amount	Fair value	

	(Dollars in thousands)		

December 31, 1995			

Financial assets:			
Investments			
Note receivable (including current portion)	\$ 24,167	24,167	(1)
Marketable equity securities	\$ 8,478	8,672	(2)
Other equity investment	\$ 20,000	20,000	(1)
Other	\$ 9,912	9,912	(1)
Financial liabilities:			
Long-term debt (including current maturities)	\$ 638,229	638,383	(3)
Other	\$ 13,043	13,043	(1)

December 31, 1994			

Financial assets:			
Investments			
Note receivable (including current portion)	\$ 25,000	25,000	(1)
Marketable equity securities	\$ 8,478	10,127	(2)
Other	\$ 9,069	9,069	(1)
Financial liabilities:			
Long-term debt (including current maturities)	\$ 531,321	520,151	(3)
Other	\$ 11,725	11,725	(1)

(1) Fair value was estimated by the Company.

(2) Fair value was based on quoted market prices.

(3) Fair value was estimated by discounting the scheduled payment streams to present value based upon rates currently offered to the Company for similar debt.

Cash and cash equivalents, accounts receivable, notes payable, accounts payable and accrued expenses - The carrying amount approximates the fair value due to the short maturity of these instruments.

(18) COMMITMENTS AND CONTINGENCIES

Construction expenditures and investments in vehicles, buildings and other work equipment during 1996 are estimated to be \$102 million for telephone operations, \$61 million for mobile communications operations and \$26 million for corporate and other operations.

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's consolidated financial position or results of operations.

CENTURY TELEPHONE ENTERPRISES, INC. Consolidated Quarterly Income Information (unaudited)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<hr/>				
(Dollars in thousands, except per share amounts)				
<hr/>				
1995				
<hr/>				
Operating revenues	\$148,779	156,815	167,304	171,942
Operating income	\$ 47,961	49,682	56,392	48,884
Net income	\$ 27,000	26,167	31,880	29,729
Fully diluted earnings per share	\$.47	.45	.54	.50
<hr/>				
<hr/>				
1994				
<hr/>				
Operating revenues	\$127,350	138,865	147,786	150,600

Operating income	\$ 36,337	42,123	47,311	47,035
Net income	\$ 19,201	21,485	24,613	34,939
Fully diluted earnings per share	\$.35	.39	.44	.62

The results of operations of subsidiaries of the Company which are not included in telephone or mobile communications operations have been reclassified to operating income from other income and expense, and the provision for uncollectible accounts in the Company's telephone operations, previously reflected as a reduction in other revenues, has been reclassified as an expense.

Fully diluted earnings per share for the first quarter and the fourth quarter of 1995 included \$.03 and \$.01 per share, respectively, of gain on the sales of assets. Fully diluted earnings per share for the fourth quarter of 1995 was reduced by \$.04 per share related to cellular commissions incurred (during the fourth quarter of 1995 as compared to the average of the first three quarters of 1995) as a result of the significant increase in the number of cellular subscribers activated during the quarter.

Fully diluted earnings per share for the fourth quarter of 1994 included \$.16 per share of gain on the sales of assets; such increase in fully diluted earnings per share was partially offset by a decrease of \$.03 per share related to cellular commissions incurred (during the fourth quarter of 1994 as compared to the average of the first three quarters of 1994) as a result of the significant increase in the number of cellular subscribers activated during the quarter.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The name, age and office(s) held by each of the Registrant's executive officers are shown below. Each of the executive officers listed below serves at the pleasure of the Board of Directors, except Mr. Williams who has entered into an employment agreement with the Registrant effective through May 1996 and from year to year thereafter subject to the right of Mr. Williams or the Company to terminate such agreement.

Name	Age	Office(s) held with Century

Clarke M. Williams	74	Chairman of the Board of Directors
Glen F. Post, III	43	Vice Chairman of the Board of Directors, President and Chief Executive Officer
R. Stewart Ewing, Jr.	44	Senior Vice President and Chief Financial Officer
W. Bruce Hanks	41	President - Telecommunications Services
Harvey P. Perry	51	Senior Vice President, General Counsel and Secretary
Kenneth R. Cole	48	President - Telephone Group

Each of the Registrant's executive officers has served as an officer of the Registrant and/or one or more of its subsidiaries in varying capacities for more than the past 5 years. Mr. Cole has served as President-Telephone Group since January 1995 and as Vice President from 1983 to 1994.

The balance of the information required by Item 10 is incorporated by reference to the Registrant's definitive proxy statement relating to its 1996 annual meeting of stockholders (the "Proxy Statement"), which Proxy Statement will be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated by reference to the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information required by Item 12 is incorporated by reference to the Proxy Statement.

Item 13. Certain Relationships and Related Transactions.

The information required by Item 13 is incorporated by reference to the Proxy Statement.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

a. Financial Statements

(i) Consolidated Financial Statements:

Independent Auditors' Report on Consolidated Financial Statements and Financial Statement Schedules

Consolidated Statements of Income for the Years Ended December 31, 1995, 1994 and 1993

Consolidated Balance Sheets - December 31, 1995 and 1994

Consolidated Statements of Cash Flows for the Years
Ended December 31, 1995, 1994 and 1993

Consolidated Statements of Stockholders' Equity for the
Years Ended December 31, 1995, 1994 and 1993

Notes to Consolidated Financial Statements

Consolidated Quarterly Income Information (unaudited)

(ii) Schedules:*

I Condensed Financial Information of Registrant

II Valuation And Qualifying Accounts

* Those schedules not listed above are omitted as not applicable or not required.

b. Reports on Form 8-K.

The following item was reported in the Form 8-K dated November 7, 1995:

Item 5. Other Events - News release reporting results of operations for the quarter ended September 30, 1995.

The following item was reported in the Form 8-K dated November 29, 1995:

Item 5. Other Events - News release reporting
investment in GO Communications Corporation.

c. Exhibits:

- | | |
|-------|--|
| 3(i) | Amended and Restated Articles of Incorporation of Registrant, dated as of May 23, 1995 (incorporated by reference to Exhibit 4.1 to Registration No.33-60061). |
| 3(ii) | Registrant's Bylaws, as amended through May 23, 1995 (incorporated by reference to Exhibit 4.2 to Registration No. 33-60061). |
| 4.1 | Competitive Advance and Revolving Credit Facility Agreement, dated October 17, 1995, between Registrant and Bank One of Texas, N.A. (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995). |
| 4.2 | Note Purchase Agreement, dated September 1, 1989, |

between Registrant, Teachers Insurance and Annuity Association of America and the Lincoln National Life Insurance Company (incorporated by reference to Exhibit 4.23 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).

- 4.12 Amended and Restated Rights Agreement dated as of November 17, 1986 between Century Telephone Enterprises, Inc. and the Rights Agent named therein (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 20, 1988), the Amendment thereto dated March 26, 1990 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990) and the Second Amendment thereto dated February 23, 1993 (incorporated by reference to Exhibit 4.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.16 Note Purchase Agreement, dated May 6, 1986, among Registrant, Teachers Insurance and Annuity Association of America, Aetna Life Insurance Company, the Aetna Casualty and Surety Company and Lincoln National Pension Insurance Company (incorporated by reference to Exhibit 4.23 to Registration No. 33-5836), Amendatory Agreement dated November 1, 1986 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated November 1, 1987 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987) and Modification Letter dated September 1, 1989 (incorporated by reference to Exhibit 19.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 4.22 Form of common stock certificate of the Registrant (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).
- 4.24 Revolving Credit Facility Agreement, dated February 7, 1992 between Registrant and NationsBank of Texas, N.A. (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated April 8, 1993 (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993), amendment thereto dated July 9, 1993 (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993), amendment thereto dated August 15, 1994 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994) and amendment thereto dated October 5, 1995 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
- 4.25 Indenture dated as of March 31, 1994 between the Company and Regions Bank of Louisiana (formerly First American Bank & Trust of Louisiana), as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3, Registration No. 33-52915).
- 4.26 Resolutions adopted by the Executive Committee of the Board of Directors on April 29, 1994 designating the terms and conditions of the Company's 7-3/4% Senior Notes, Series A, due 2004 and 8-1/4% Senior Notes, Series B, due 2024 ("Senior Notes") (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).
- 4.27 Resolutions adopted by the Special Pricing Committee of the Board of Directors on November 27, 1995 designating the terms and conditions of the Company's 6.55% Senior Notes, Series C, due 2005 and 7.2% Senior Notes, Series D, due 2025 ("Senior Notes"), included

elsewhere herein.

- 4.28 Form of Senior Notes (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3, Registration No. 33-52915).
- 10.1 Employee Benefit Plans
- (a) Registrant's Employee Stock Ownership Plan and Trust, as amended and restated December 30, 1994 (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995) and amendment thereto dated January 26, 1996, included elsewhere herein.
 - (b) Registrant's Stock Bonus Plan, PAYSOP and Trust, as amended and restated December 30, 1994 (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995), amendment thereto dated July 11, 1995 (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995) and amendment thereto dated January 26, 1996, included elsewhere herein.
 - (c) Registrant's Dollars & Sense Plan and Trust, as amended and restated, generally effective April 1, 1992 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
 - (d) Registrant's Restated Supplemental Executive Retirement Plan, generally effective as of November 16, 1995, included elsewhere herein.
 - (e) Registrant's 1983 Restricted Stock Plan, dated February 21, 1984, as amended and restated as of November 16, 1995, included elsewhere herein.
 - (f) Registrant's Key Employee Incentive Compensation Plan, dated January 1, 1984, as amended and restated as of November 16, 1995, included elsewhere herein.
 - (g) Registrant's 1988 Incentive Compensation Program as amended and restated August 22, 1989 (incorporated by reference to Exhibit 19.8 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
 - (h) Form of Stock Option Agreement entered into in 1988 by the Registrant, pursuant to 1988 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto (incorporated by reference to Exhibit 4.6 to Registrant's Registration No. 33-31314).
 - (i) Registrant's 1990 Incentive Compensation Program, dated March 15, 1990 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
 - (j) Form of Stock Option Agreement entered into in 1990 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 19.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
 - (k) Form of Stock Option Agreement entered into in 1992 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers and employees (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on

Form 10-K for the year ended December 31, 1992) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).

- (l) Registrant's 1995 Incentive Compensation Plan approved by Registrant's shareholders on May 11, 1995 (incorporated by reference to Exhibit 4.4 to Registration No. 33-60061).
- (m) 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 (incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).
- (n) 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 (incorporated by reference to Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).
- (o) Form of Performance Share Agreement Under the 1990 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
- (p) Form of Restricted Stock Agreement and Performance Share Agreement Under the 1988 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
- (q) Registrant's Restated Supplemental Defined Contribution Plan, dated as of November 16, 1995, included elsewhere herein.
- (r) Registrant's Amended and Restated Supplemental Dollars & Sense Plan, effective as of January 1, 1995 (incorporated by reference to Exhibit 10.22 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
- (s) Registrant's Amended and Restated Salary Continuation (Disability) Plan for Officers, dated November 26, 1991 (incorporated by reference to Exhibit 10.16 of Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- (t) Registrant's Restated Outside Directors' Retirement Plan, dated as of November 16, 1995, included elsewhere herein.
- (u) Registrant's Restated Deferred Compensation Plan for Outside Directors, dated as of November 16, 1995, included elsewhere herein.

10.2

Employment, Severance and Related Agreements

- (a) Employment Agreement, dated May 24, 1993, by and between Clarke M. Williams and Registrant (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993) and amendment thereto dated as of February 27, 1996, included elsewhere herein.

- (b) Form of Amended and Restated Severance Agreement, by and between Registrant and each of its executive officers other than Clarke M. Williams, dated as of November 16, 1995, included elsewhere herein.
- (c) Form of Amended and Restated Severance Agreement, by and between Registrant and six of its officers who are not executive officers, dated as of November 16, 1995, included elsewhere herein.
- (d) Agreement, dated December 31, 1994, by and between Jim D. Reppond and Registrant (incorporated by reference to Exhibit 10.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).

10.3 Other Agreements

- (a) Agreement and Plan of Merger dated October 8, 1993, as amended by Amendment No. 1 thereto dated January 5, 1994 by and among Registrant, Celutel Acquisition Corp., Celutel, Inc. and the Principal Stockholders of Celutel, Inc. (incorporated by reference to Appendix I of Registrant's Prospectus forming a part of its Registration Statement No.33-50791 filed January 12, 1994 pursuant to Rule 424(b)(5)).
- (b) Loan Agreement and Grant of Rights of First Refusal to Acquire Assets and/or Capital Stock of MillTenn, Inc. and its Subsidiaries (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).

- 11 Computations of Earnings Per Share, included elsewhere herein.
- 21 Subsidiaries of the Registrant, included elsewhere herein.
- 23 Independent Auditors' Consent, included elsewhere herein.
- 27 Financial Data Schedule, included elsewhere herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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: March 18, 1996

By: /s/ Clarke M. Williams

Clarke M. Williams
Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

/s/ Clarke M. Williams

Clarke M. Williams

Chairman of the Board
of Directors

March 18, 1996

/s/ Glen F. Post, III

Glen F. Post, III

Vice Chairman of the
Board of Directors,
President, and Chief
Executive Officer

March 18, 1996

/s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.

Senior Vice President
and Chief Financial
Officer

March 18, 1996

/s/ Harvey P. Perry ----- Harvey P. Perry	Senior Vice President, Secretary, General Counsel and Director	March 18, 1996
/s/ W. Bruce Hanks ----- W. Bruce Hanks	President - Telecommunications Services and Director	March 18, 1996
/s/ Murray H. Greer ----- Murray H. Greer	Controller (Principal Accounting Officer)	March 18, 1996
/s/ William R. Boles, Jr. ----- William R. Boles, Jr.	Director	March 18, 1996
/s/ Virginia Boulet ----- Virginia Boulet	Director	March 18, 1996
/s/ Ernest Butler, Jr. ----- Ernest Butler, Jr.	Director	March 18, 1996
----- Calvin Czeschin	Director	March __, 1996
/s/ James B. Gardner ----- James B. Gardner	Director	March 18, 1996
/s/ R. L. Hargrove, Jr. ----- R. L. Hargrove, Jr.	Director	March 18, 1996
/s/ Johnny Hebert ----- Johnny Hebert	Director	March 18, 1996
/s/ F. Earl Hogan ----- F. Earl Hogan	Director	March 18, 1996
/s/ C. G. Melville, Jr. ----- C. G. Melville, Jr.	Director	March 18, 1996
/s/ Jim D. Reppond ----- Jim D. Reppond	Director	March 18, 1996

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

STATEMENTS OF INCOME

Year ended December 31,

1995 1994 1993

(Dollars in thousands)

REVENUES \$ 5,608 6,190 5,860

EXPENSES

Operating expenses	5,165	5,400	6,014
Depreciation and amortization	6,860	6,603	5,877

Total expenses	12,025	12,003	11,891

OPERATING LOSS	(6,417)	(5,813)	(6,031)

OTHER INCOME (EXPENSE)			
Interest expense	(37,467)	(34,463)	(20,678)
Interest income	30,930	24,088	10,696

Total other income (expense)	(6,537)	(10,375)	(9,982)

LOSS BEFORE INCOME TAXES AND EQUITY IN SUBSIDIARIES' EARNINGS	(12,954)	(16,188)	(16,013)
Income tax benefit	3,769	3,205	5,037

LOSS BEFORE EQUITY IN SUBSIDIARIES' EARNINGS	(9,185)	(12,983)	(10,976)
Equity in subsidiaries' earnings	123,961	113,221	79,980

NET INCOME	\$ 114,776	100,238	69,004
=====			

See accompanying notes to condensed financial information of registrant.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (continued)

CENTURY TELEPHONE ENTERPRISES, INC. (Parent Company)

BALANCE SHEETS

December 31,

1995 1994

(Dollars in thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,616	3,097
Receivables from subsidiaries	94,217	126,821
Other receivables	9,888	941
Prepayments and other	1,854	844

Total current assets	107,575	131,703

PROPERTY, PLANT AND EQUIPMENT

Property and equipment	983	932
Accumulated depreciation	(583)	(524)
Net property, plant and equipment	400	408
INVESTMENTS AND OTHER ASSETS		
Investments in subsidiaries (at equity)	1,166,186	1,032,991
Receivables from subsidiaries	139,631	155,156
Other investments	50,620	27,919
Note receivable	22,500	24,167
Deferred charges	5,010	5,599
Total investments and other assets	1,383,947	1,245,832
TOTAL ASSETS	\$ 1,491,922	1,377,943
=====		

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 5,516	5,481
Notes payable to banks	-	158,000
Payables to subsidiaries	143,793	155,551
Accrued interest	4,424	7,345
Other accrued liabilities	4,377	11,420
Total current liabilities	158,110	337,797
LONG-TERM DEBT	392,018	342,334
PAYABLES TO SUBSIDIARIES	35,684	34,197
DEFERRED CREDITS AND OTHER LIABILITIES	17,686	13,379
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 175,000,000 shares, issued and outstanding 59,113,670 and 53,574,361 shares	59,114	53,574
Paid-in capital	453,584	319,235
Retained earnings	387,424	291,999
Unearned ESOP shares	(13,960)	(16,840)
Preferred stock - non-redeemable	2,262	2,268
Total stockholders' equity	888,424	650,236
TOTAL LIABILITIES AND EQUITY	\$ 1,491,922	1,377,943
=====		

See accompanying notes to condensed financial information of registrant.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (Continued)

CENTURY TELEPHONE ENTERPRISES, INC. (Parent Company)

STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	1995	1994	1993
	(Dollars in thousands)		
OPERATING ACTIVITIES			
Net income	\$ 114,776	100,238	69,004
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	6,860	6,603	5,877
Deferred income taxes	4,241	5,918	(451)
Earnings of subsidiaries	(123,961)	(113,221)	(79,980)
Changes in current assets and current liabilities:			
(Increase) decrease in other receivables	(8,947)	7,078	(6,692)
Increase (decrease) in other accrued liabilities	(3,409)	5,063	1,203

Changes in other current assets and other current liabilities, net	(4,377)	6,014	102
Other, net	1,558	766	1,934
<hr/>			
Net cash provided by (used in) operating activities	(13,259)	18,459	(9,003)
<hr/>			
INVESTING ACTIVITIES			
Acquisitions	(22,130)	(55,979)	(33,209)
Capital contributions to subsidiaries	(53,050)	(47,516)	(16,819)
Dividends received from subsidiaries	52,423	3,841	908
(Increase) decrease in receivables from subsidiaries	71,203	(98,917)	(13,024)
Increase (decrease) in payables to subsidiaries	(10,271)	70,512	23,848
Investment in unconsolidated personal communications services entity	(20,000)	-	-
Note receivable	833	(25,000)	-
Purchase of Industrial Development Revenue bonds	-	-	(19,000)
Other, net	(2,546)	(3,292)	(2,893)
<hr/>			
Net cash provided by (used in) investing activities	16,462	(156,351)	(60,189)
<hr/>			
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	171,046	147,754	-
Payments of long-term debt	(4,901)	(4,870)	(6,697)
Notes payable, net	(158,000)	7,500	88,500
Proceeds from issuance of common stock	6,522	4,814	3,529
Cash dividends paid	(19,351)	(17,184)	(15,735)
<hr/>			
Net cash provided by (used in) financing activities	(4,684)	138,014	69,597
<hr/>			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,481)	122	405
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,097	2,975	2,570
<hr/>			
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,616	3,097	2,975
<hr/>			

See accompanying notes to condensed financial information of registrant.

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF REGISTRANT (continued)

CENTURY TELEPHONE ENTERPRISES, INC. (Parent Company)

NOTES TO CONDENSED FINANCIAL INFORMATION OF REGISTRANT

(A) LONG-TERM DEBT

The approximate annual debt maturities (including sinking fund requirements) for the five years subsequent to December 31, 1995 are as follows:

1996 -	\$5.5 million
1997 -	\$5.0 million
1998 -	\$4.7 million
1999 -	\$4.3 million

2000 - \$57.7 million

(B) GUARANTEES

As of December 31, 1995, Century has guaranteed a promissory note for a subsidiary of \$2.6 million, as well as the applicable interest and premium. Century has also guaranteed \$905,000 in Industrial Development Revenue Bonds originally issued by a subsidiary; such bonds were assumed by the purchaser of the subsidiary's assets.

(C) DIVIDENDS FROM SUBSIDIARIES

Dividends paid to Century by consolidated subsidiaries were \$52.4 million, \$3.8 million and \$908,000 during 1995, 1994 and 1993,

respectively.

(D) INCOME TAXES AND INTEREST PAID

Income taxes paid by Century (including amounts reimbursed from subsidiaries) were \$56.9 million, \$35.0 million and \$31.5 million during 1995, 1994 and 1993, respectively.

Interest paid by Century was \$40.4 million, \$32.0 million and \$20.9 million during 1995, 1994 and 1993, respectively.

(E) AFFILIATED TRANSACTIONS

Century provides and bills management services to subsidiaries and in certain instances makes interest bearing advances to finance construction of plant and purchases of equipment. Century recorded intercompany interest income of \$28.2 million, \$22.2 million and \$10.6 million in 1995, 1994 and 1993, respectively.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS CENTURY TELEPHONE ENTERPRISES, INC.

For the years ended December 31, 1995, 1994 and 1993

Description	Balance at beginning of period	Additions charged to costs and expenses	Deductions from allowance (1)	Other changes (2)	Balance at end of period
(Dollars in thousands)					
Year ended December 31, 1995					
Allowance for doubtful accounts	\$ 2,360	7,200	(6,946)	154	2,768
Year ended December 31, 1994					
Allowance for doubtful accounts	\$ 1,473	4,748	(4,139)	278	2,360
Year ended December 31, 1993					
Allowance for doubtful accounts	\$ 960	2,073	(1,810)	250	1,473

(1) Customers' accounts written-off, net of recoveries.

(2) Allowance for doubtful accounts at the date of acquisition of purchased subsidiaries, net of allowance for doubtful accounts at the date of disposition of subsidiaries sold.

CENTURY TELEPHONE ENTERPRISES, INC.

INDEX TO EXHIBITS

Exhibit Number	December 31, 1995
3(i)	Amended and Restated Articles of Incorporation of Registrant, dated as of May 23, 1995 (incorporated by reference to Exhibit 4.1 to Registration No. 33-60061).
3(ii)	Registrant's Bylaws, as amended through May 23, 1995 (incorporated by reference to Exhibit 4.2 to Registration No. 33-60061).
4.1	Competitive Advance and Revolving Credit Facility Agreement, dated October 17, 1995, between Registrant and Bank One of Texas, N.A. (incorporated by reference to Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
4.2	Note Purchase Agreement, dated September 1, 1989, between Registrant, Teachers Insurance and Annuity Association of America and the Lincoln National Life Insurance Company (incorporated by reference to Exhibit 4.23 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
4.12	Amended and Restated Rights Agreement dated as of November 17, 1986

between Century Telephone Enterprises, Inc. and the Rights Agent named therein (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 20, 1988), the Amendment thereto dated March 26, 1990 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990) and the Second Amendment thereto dated February 23, 1993 (incorporated by reference to Exhibit 4.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

- 4.16 Note Purchase Agreement, dated May 6, 1986, among Registrant, Teachers Insurance and Annuity Association of America, Aetna Life Insurance Company, the Aetna Casualty and Surety Company and Lincoln National Pension Insurance Company (incorporated by reference to Exhibit 4.23 to Registration No. 33-5836), Amendatory Agreement dated November 1, 1986 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated November 1, 1987 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987) and Modification Letter dated September 1, 1989 (incorporated by reference to Exhibit 19.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 4.22 Form of common stock certificate of the Registrant (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).
- 4.24 Revolving Credit Facility Agreement, dated February 7, 1992 between Registrant and NationsBank of Texas, N.A. (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated April 8, 1993 (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993), amendment thereto dated July 9, 1993 (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993), amendment thereto dated August 15, 1994 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994) and amendment thereto dated October 5, 1995 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).
- 4.25 Indenture dated as of March 31, 1994 between the Company and Regions Bank of Louisiana (formerly First American Bank & Trust of Louisiana), as Trustee (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3, Registration No. 33-52915).
- 4.26 Resolutions adopted by the Executive Committee of the Board of Directors on April 29, 1994 designating the terms and conditions of the Company's 7-3/4% Senior Notes, Series A, due 2004 and 8-1/4% Senior Notes, Series B, due 2024 ("Senior Notes") (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).
- 4.27 Resolutions adopted by the Special Pricing Committee of the Board of Directors on November 27, 1995 designating the terms and conditions of the Company's 6.55% Senior Notes, Series C, due 2005 and 7.2% Senior Notes, Series D, due 2025 ("Senior Notes"), included herein.
- 4.28 Form of Senior Notes (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3, Registration No. 33-52915).
- 10.1 Employee Benefit Plans
 - (a) Registrant's Employee Stock Ownership Plan and Trust, as amended and restated December 30, 1994 (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995) and amendment thereto dated January 26, 1996, included herein.
 - (b) Registrant's Stock Bonus Plan, PAYSOP and Trust, as amended and restated December 30, 1994 (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995), amendment thereto dated July 11, 1995 (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995) and amendment thereto dated January 26, 1996, included herein.

- (c) Registrant's Dollars & Sense Plan and Trust, as amended and restated, generally effective April 1, 1992 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).
- (d) Registrant's Restated Supplemental Executive Retirement Plan, generally effective as of November 16, 1995, included herein.
- (e) Registrant's 1983 Restricted Stock Plan, dated February 21, 1984, as amended and restated as of November 16, 1995, included herein.
- (f) Registrant's Key Employee Incentive Compensation Plan, dated January 1, 1984, as amended and restated as of November 16, 1995, included herein.
- (g) Registrant's 1988 Incentive Compensation Program as amended and restated August 22, 1989 (incorporated by reference to Exhibit 19.8 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- (h) Form of Stock Option Agreement entered into in 1988 by the Registrant, pursuant to 1988 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto (incorporated by reference to Exhibit 4.6 to Registrant's Registration No. 33-31314).

(i) Registrant's 1990 Incentive Compensation Program, dated March 15, 1990 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).

(j) Form of Stock Option Agreement entered into in 1990 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 19.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).

(k) Form of Stock Option Agreement entered into in 1992 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers and employees (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).

(l) Registrant's 1995 Incentive Compensation Plan approved by Registrant's shareholders on May 11, 1995 (incorporated by reference to Exhibit 4.4 to Registration No. 33-60061).

(m) 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 (incorporated by reference to Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).

(n) 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 (incorporated by reference to Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).

(o) Form of Performance Share Agreement Under the 1990 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).

(p) Form of Restricted Stock Agreement and Performance Share Agreement Under the 1988 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated as of May 22, 1995 (incorporated by reference to Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1995).

(q) Registrant's Restated Supplemental Defined Contribution Plan, dated as of November 16, 1995, included herein.

(r) Registrant's Amended and Restated Supplemental Dollars & Sense Plan, effective as of January 1, 1995 (incorporated by reference to Exhibit 10.22 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).

(s) Registrant's Amended and Restated Salary Continuation (Disability) Plan for Officers, dated November 26, 1991 (incorporated by reference to Exhibit 10.16 of Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).

(t) Registrant's Restated Outside Directors' Retirement Plan, dated as of November 16, 1995, included herein.

(u) Registrant's Restated Deferred Compensation Plan for Outside Directors, dated as of November 16, 1995, included herein.

10.2 Employment, Severance and Related Agreements

(a) Employment Agreement, dated May 24, 1993, by and between Clarke M. Williams and Registrant (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993) and amendment thereto dated as of February 27, 1996, included herein.

(b) Form of Amended and Restated Severance Agreement, by and between Registrant and each of its executive officers other than Clarke M. Williams, dated as of November 16, 1995, included herein.

(c) Form of Amended and Restated Severance Agreement, by and between Registrant and six of its officers who are not executive officers, dated as of November 16, 1995, included herein.

(d) Agreement, dated December 31, 1994, by and between Jim D. Reppond and Registrant (incorporated by reference to Exhibit 10.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1994).

10.3 Other Agreements

(a) Agreement and Plan of Merger dated October 8, 1993, as amended by Amendment No. 1 thereto dated January 5, 1994 by and among Registrant, Celutel Acquisition Corp., Celutel, Inc. and the Principal Stockholders of Celutel, Inc. (incorporated by reference to Appendix I of Registrant's Prospectus forming a part of its Registration Statement No. 33-50791 filed January 12, 1994 pursuant to Rule 424(b)(5)).

(b) Loan Agreement and Grant of Rights of First Refusal to Acquire Assets and/or Capital Stock of MillTenn, Inc. and its Subsidiaries (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994).

11	Computations of Earnings Per Share, included herein.
21	Subsidiaries of the Registrant, included herein.
23	Independent Auditors' Consent, included herein.
27	Financial Data Schedule, included herein.

CENTURY TELEPHONE ENTERPRISES, INC.

The following resolutions were adopted by the Special Pricing Committee of the Board of Directors of Century Telephone Enterprises, Inc. on November 27, 1995:

WHEREAS, the Board of Directors of Century Telephone Enterprises, Inc. (the "Company") has previously authorized (i) the appropriate officers of the Company to take various actions necessary to permit the Company to register, issue and sell senior debt securities with an aggregate initial offering price not to exceed \$400,000,000 and (ii) the Special Pricing Committee of the Board of the Directors to establish the specific terms and conditions of any one or more series of senior debt securities to be issued and sold from time to time; and

WHEREAS, the Special Pricing Committee, acting pursuant to such authorization, deems it desirable and in the best interest of the Company and its shareholders to authorize the issuance of \$150,000,000 aggregate principal amount of its senior debt securities;

NOW, THEREFORE, BE IT RESOLVED THAT:

(1) The Company shall create and issue \$150,000,000 aggregate principal amount of its senior debt securities, consisting of (i) \$50,000,000 aggregate principal amount of senior notes designated as the "Century Telephone Enterprises, Inc. 6.55% Senior Notes, Series C, Due 2005" (the "Series C Notes") and (ii) \$100,000,000 aggregate principal amount of senior notes designated as the "Century Telephone Enterprises, Inc. 7.20% Senior Notes, Series D, Due 2025" (the "Series D Notes" and, together with the Series C Notes, the "Senior Notes"), in each case to be sold at the prices described below and in accordance with the Indenture dated as of March 31, 1994 ("Indenture"), between the Company and Regions Bank of Louisiana (successor to First American Bank & Trust of Louisiana), as Trustee ("Trustee"), to wit:

a. The Series C Notes will mature on December 1, 2005 and the Series D Notes will mature on December 1, 2025.

b. The Senior Notes shall bear interest from November 30, 1995, until the principal thereof becomes due and payable at the rate of 6.55% per annum with respect to the Series C Notes and 7.20% per annum with respect to the Series D Notes, payable in each case semi-annually on June 1 and December 1 of each year commencing June 1, 1996, and any overdue principal and (to the extent that the payment of such interest is enforceable under applicable law) any overdue installment of interest thereon shall bear interest at the same rate per annum; the principal of and the interest on the Senior Notes shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, at the office or agency of the Company maintained in accordance with the Indenture, or, at the option of the Company, by check in U.S. dollars mailed or delivered to the person in whose name the Senior Notes are registered. The regular record date with respect to any interest payment date for the Senior Notes shall be the May 15 or November 15, as the case may be, immediately preceding such interest payment date, whether or not such date is a business day.

c. The Series C Notes will not be redeemable prior to maturity.

d. The Series D Notes will be redeemable as a whole or in part, at the option of the Company at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of such Series D Notes or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 12.5 basis points, plus in each case accrued interest thereon to the date of redemption.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Series D Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Series D Notes. "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30

p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"Reference Treasury Dealer" means each of PaineWebber Incorporated, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Smith Barney Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

Notice of any redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of Series D Notes to be redeemed.

Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Series D Notes or portions thereof called for redemption.

e. There will be no mandatory sinking fund payments for the Senior Notes.

f. The Senior Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following form:

(FORM OF FACE OF SECURITY)

No _____ \$ _____

C U S I P N O. _____

Century Telephone Enterprises, Inc.
_____% Senior Notes, Series __, Due ____

Century Telephone Enterprises, Inc., a corporation duly organized and existing under the laws of the State of Louisiana (herein referred to as the "Company"), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on _____ and to pay interest on said principal sum from _____, or from the most recent interest payment date to which interest has been paid or duly provided for, semi-annually on _____ and _____ in each year, commencing _____, at the rate of _____% per annum until the principal hereof shall have become due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum. The interest installment so payable, and punctually paid or duly provided for, on any interest payment date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this Security (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the regular record date for such interest installment, which shall be the _____ or _____, as the case may be (whether or not a business day), immediately preceding such interest payment date. Any such interest installment not so punctually paid or duly provided for shall forthwith cease to be payable to the registered holder on such regular record date, and may be paid to the person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice of which shall be given to the registered holders of this series of Securities not more than 15 days and not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture hereinafter referred to. The principal of and the interest on this Security shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debt, at the office or agency of the Company maintained for that purpose in the City of Monroe and State of Louisiana, or the Borough of Manhattan, the City and State of New York, or, at the option of the Company, by check in U.S. dollars mailed or delivered to the person in whose name this Security is registered.

This Security shall not be entitled to any benefit under the Indenture hereinafter referred to, or be valid or become obligatory for any purpose, until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Security are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated: _____

CENTURY TELEPHONE ENTERPRISES, INC.

By _____
[President/Vice President]

Attest:

By _____

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the above-designated series therein referred to in the within-mentioned Indenture.

Regions Bank of Louisiana as Trustee, Authenticating Agent and Security Registrar

By _____

Authorized Officer

(FORM OF REVERSE OF SECURITY)

This Security is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), all issued or to be issued in one or more series under and pursuant to an Indenture dated as of March 31, 1994 duly executed and delivered between the Company and Regions Bank of Louisiana (successor to First American Bank & Trust of Louisiana), a Louisiana banking corporation organized and existing under the laws of the State of Louisiana, as Trustee (herein referred to as the "Trustee") (said Indenture hereinafter referred to as the "Indenture"), to which Indenture reference is hereby made for a description of the rights, limitation of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Securities. By the terms of the Indenture, the Securities are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This Security (herein called the "Security") is one of the series designated on the face hereof (herein called the "Series") limited in aggregate principal amount to \$____,000,000.

In case an Event of Default, as defined in the Indenture, with respect to the Series shall have occurred and be continuing, the principal of all of the Securities of the Series may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Securities of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any Securities or any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Security so affected or (ii) reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Security then Outstanding and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Securities of any series at the time Outstanding, on behalf of the holders of Securities of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or establish pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of, or premium, if any, or interest on any of the Securities of such series. Any such consent or waiver by the registered holder of this Security (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Security and of any Security issued in exchange hereof or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times and place and at the rate and in the currency herein prescribed.

The Securities are issuable as registered Securities without coupons in denominations of \$1,000 or any integral multiple thereof. Securities may be exchanged, upon presentation thereof for that purpose, at the office or agency of the Company in the City of Monroe and State of Louisiana, for other Securities of authorized denominations, and for a like aggregate principal amount and series, and upon payment of a sum sufficient to cover any tax or other governmental charge in relation thereto.

The Securities will not be redeemable prior to maturity.

or

The Securities will be redeemable as a whole or in part, at the option of the Company at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of such Securities or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 12.5 basis points, plus in each case accrued interest thereon to the date of redemption.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Securities to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Securities. "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, (A) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations. "Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

"Reference Treasury Dealer" means each of PaineWebber Incorporated, Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Smith Barney Inc. and their respective successors; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer.

Notice of any redemption will be mailed at least 30 days but no more than 60 days before the redemption date to each holder of Securities to be redeemed.

Unless the Company defaults in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Securities or portions thereof called for redemption.

As provided in the Indenture and subject to certain limitations therein set forth, this Security is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Security for registration of transfer at the office or agency of the Company in the City of Monroe and State of Louisiana accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Security Registrar duly executed by the registered holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Security the Company, the Trustee, any Paying Agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Security shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, affiliate, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Indenture.

The Indenture and this Security shall be governed by and construed in accordance with the laws of the State of Louisiana.

(2) The principal office of Regions Bank of Louisiana in Monroe, Louisiana is hereby designated and created as the agency of the Company in the City of Monroe and State of Louisiana at which (i) both the principal and the interest on the Senior Notes are payable on the terms and conditions specified in the Indenture and notices, presentations and demands to or upon the Company in respect the Senior Notes may be given or made, (ii) the Senior Notes may be surrendered for transfer or exchange and transferred or exchanged in accordance with the terms of the Indenture and (iii) books for the registration and transfer of the Senior Notes shall be kept;

(3) The principal office of Regions Bank of Louisiana in Monroe, Louisiana is hereby designated and created as Security Registrar of the

Company in the City of Monroe and State of Louisiana at which (i) the Company shall register the Senior Notes, (ii) the Senior Notes may be surrendered for transfer or exchange and transferred or exchanged in accordance with the terms of the Indenture, and (iii) books for the registration and transfer of the Senior Notes shall be kept; and

(4) The Senior Notes hereby authorized by these resolutions shall be in substantially the form and shall have the characteristics provided in the Indenture, and the form of the Senior Notes of each such series set forth in these resolutions is hereby approved and adopted.

FURTHER RESOLVED THAT:

(1) The President or any Vice President of the Company is hereby authorized to execute and deliver on behalf of the Company an Underwriting Agreement (the "Underwriting Agreement") in substantially the form of the Underwriting Agreement included as an exhibit to the registration statement of Form S-3 filed by the Company on March 30, 1994 and declared effective April 11, 1994 (Registration No. 33-52915) (the "Registration Statement"), reflecting the terms of the sale of the Senior Notes to the Underwriters named in such agreement, along with the accompanying Price Determination Agreement that confirms that the sale price of the Series C Notes (after deducting an underwriting discount of .65%) shall be 99.284% of the principal amount thereof and the sale price of the Series D Notes (after deducting an underwriting discount of .875%) shall be 98.904% of the principal amount thereof;

(2) The President or any Vice President and the Secretary or any Assistant Secretary of the Company are hereby authorized and directed to deliver to the Trustee a certified record of these resolutions setting forth the terms of the Senior Notes as required by Section 2.01 of the Indenture;

(3) The President or any Vice President of the Company is hereby authorized to execute \$50,000,000 aggregate principal amount of Series C Notes and \$100,000,000 aggregate principal amount of Series D Notes on behalf of the Company under its corporate seal or a facsimile attested by the Secretary or any Assistant Secretary, and the signature of the President, or any Vice President, may be in the form of a facsimile signature of the present or any future President or Vice President and the signature of the Secretary or any Assistant Secretary in attestation of the corporate seal may be in the form of a facsimile signature of the present or any future Secretary or Assistant Secretary, and should any officer who signs, or whose facsimile signature appears upon, any of the Senior Notes cease to be such an officer prior to their issuance, the Senior Notes so signed or bearing such facsimile signature shall still be valid, and without prejudice to the use of the facsimile signature of any other officer as hereinabove authorized, the facsimile signature of Glen F. Post III, President, and the facsimile signature of Harvey P. Perry, Secretary, are hereby expressly approved and adopted;

(4) The officers of the Company are hereby authorized to cause the Senior Notes to be delivered to the Trustee for authentication and delivery by it in accordance with the provisions of the Indenture, and the Trustee is hereby authorized and requested to authenticate the Senior Notes upon compliance by the Company with the provisions of the Indenture and to deliver the same to or upon the written order of the President or any Vice President of the Company, and the President or any Vice President is hereby authorized to apply to the Trustee for the authentication and delivery of the Senior Notes;

(5) The President or any Vice President and the Treasurer or any Assistant Treasurer of the Company are hereby authorized and empowered to endorse, in the name and on behalf of the Company, any and all checks received in connection with the sales of the Senior Notes for application as described in the offering materials prepared and filed, or to be prepared and filed, in connection with the offering of the Senior Notes, or for deposit to the account of the Company in any bank, and that any such endorsement be sufficient to bind the Company;

(6) The officers of the Company are hereby authorized to issue and sell the aggregate principal amounts of the Senior Notes at the price and upon the terms and conditions set forth in the Underwriting Agreement (including the accompanying Price Determination Agreement) covering the sale of the Senior Notes;

(7) The dissemination and filing with the Securities and Exchange Commission of a prospectus supplement (to the prospectus dated April 11, 1994 forming a part of the Registration Statement) in substantially the form presented to the members of this Committee is hereby authorized, and the officers of the Company are hereby authorized to prepare, disseminate and file with the Securities and Exchange Commission any additional prospectus supplements that may be necessary or appropriate;

(8) The officers of the Company are authorized to execute and deliver all such instruments and documents, to incur on behalf of the Company all such expenses and obligations, to make all such payments, and to do all such other acts and things as they may consider necessary or desirable in connection with the accomplishment of the intent and purposes of the foregoing resolutions, including without limitation obtaining all necessary and appropriate CUSIP numbers and debt ratings, retaining all necessary printing companies, engraving companies and other agents or advisers, executing and delivering all closing instruments that are contemplated by the Indenture or Underwriting Agreement or that are otherwise customary and appropriate, and issuing any necessary and appropriate press releases; and

(9) All actions heretofore taken by the officers of the Company that would have been authorized hereunder if taken after the adoption of these resolutions are hereby ratified and confirmed in all respects as the acts of the Company.

Exhibit 10.1(a)

**AMENDMENT TO THE
CENTURY TELEPHONE ENTERPRISES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST**

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 26 day of January, 1996, 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, which hereby executes the following amendment to the Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust, such amendment to be effective November 16, 1995:

Insert the following sentence at the end of Section 7.1:

"Finally, notwithstanding the above vesting schedule, an Employee's right to his or her Account balance shall fully vest and become nonforfeitable automatically upon the occurrence of any of the following events: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than Employer or any employee benefit plan or related trust or affiliate of Employer or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Employer representing 30% or more of the combined voting power of Employer's then outstanding securities entitled to vote generally in the election of directors, but not including any acquisition directly from Employer; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of Employer unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by Employer's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of Employer at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of Employer or the Surviving Company and any person or entity that was a shareholder of Employer immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of Employer cease 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; or (iv) the approval by Employer's shareholders of a complete liquidation or dissolution of Employer."

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 appearer and me, Notary, after reading of the whole.

WITNESSES:

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

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

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

/s/ Sherry Bowen

/s/ Kathy Tettleton

NOTARY PUBLIC

ACCEPTANCE OF AMENDMENT BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 8th day of March, 1996,

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. Employee Stock Ownership Plan and Trust adopted by the Settlor on January 26, 1996.

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

WITNESSES:

REGIONS BANK OF LOUISIANA

/s/ Linda G. Foss

By: /s/ William W. Keith

William W. Keith

Executive Vice President

/s/ Bruce F. Jones

/s/ Cathy M. Yelverton

NOTARY PUBLIC

Exhibit 10.1(b)

**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 26 day of January, 1996, 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, which hereby executes the following amendment to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, such amendment to be effective November 16, 1995:

Insert the following sentence at the end of Section 7.1(b):

"Finally, notwithstanding the above vesting schedule, an Employee's right to his or her Account balance shall fully vest and become nonforfeitable automatically upon the occurrence of any of the following events: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than Employer or any employee benefit plan or related trust or affiliate of Employer or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of Employer representing 30% or more of the combined voting power of Employer's then outstanding securities entitled to vote generally in the election of directors, but not including any acquisition directly from Employer; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of Employer unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by Employer's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of Employer at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of Employer or the Surviving Company and any person or entity that was a shareholder of Employer immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of Employer cease 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; or (iv) the approval by Employer's shareholders of a complete liquidation or dissolution of Employer."

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 appearer and me, Notary, after reading of the whole.

WITNESSES:

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

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

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

/s/ Sherry Bowen

/s/ Kathy Tettleton

NOTARY PUBLIC

ACCEPTANCE OF AMENDMENT BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 8th day of March, 1996,

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 January 26, 1996.

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

<i>WITNESSES:</i>	<i>REGIONS BANK OF LOUISIANA</i>
<i>/s/ Linda G. Foss</i> -----	<i>BY: /s/ William W. Keith</i> ----- <i>William W. Keith,</i> <i>Executive Vice President</i>
<i>/s/ Bruce F. Jones</i> -----	<i>/s/ Cathy M. Yelverton</i> ----- <i>NOTARY PUBLIC</i>

Exhibit 10.1(d)

**CENTURY TELEPHONE ENTERPRISES, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
1995 RESTATEMENT**

I. Purpose of the Plan

This Restated Supplemental Executive Retirement Plan (the "Plan") is intended to provide Century Telephone Enterprises, Inc. (the "Company") and its subsidiaries a method for attracting and retaining key employees; to provide a method for recognizing the contributions of such personnel; and to promote executive and managerial flexibility, thereby advancing the interests of the Company and its stockholders. In addition, the Plan is intended to provide a more adequate level of retirement benefits in combination with the Company's general retirement program.

II. Definitions

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

2.01 "ACCRUED BENEFIT", as of a given date, shall mean an amount equal to the basic monthly benefit to which a Participant is entitled on his Normal Retirement Date in accordance with Section 5.01 using his Average Monthly Compensation, Estimated Primary Insurance Amount and Credited Service determined as of such given date, in lieu of the corresponding amounts determined as of his Normal Retirement Date.

2.02 "ACTUARIAL EQUIVALENT" shall mean the amount of pension of a different type or payable at a different age that has the same value as computed by the Actuary on the basis of interest and mortality tables. Mortality will be based on the UP84 Mortality Table. The interest rate will be equal to the Pension Benefit Guaranty Corporation's published interest rate for immediate annuities on the date of pension commencement.

2.03 "AVERAGE MONTHLY COMPENSATION" shall mean the average of the 36 consecutive months' Compensation of a Participant which produce the highest average out of the last 120 months of employment. No compensation will be considered during a period of Leave of Absence for purposes of determining Average Monthly Compensation.

2.04 "BOARD OF DIRECTORS" shall mean not less than a quorum of the whole Board of Directors of Century Telephone Enterprises, Inc.

2.05 "CHANGE IN CONTROL" shall mean the occurrence of any of the following (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the Surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company.

2.06 "COMMITTEE" shall mean three or more members of the Board of Directors as described in Section 14.01 of the Plan, or the Board if no Committee has been appointed.

2.07 "COMPANY" shall mean Century Telephone Enterprises, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.08 "COMPENSATION" shall mean the sum of a Participant's Salary, determined under Section 2.19 and Incentive Compensation, determined under Section 2.14, for a particular month.

2.09 "CREDITED SERVICE" shall mean employment for which a Participant is entitled to receive service credit for accrual of benefit and for eligibility for benefits under the Plan in accordance with the provisions of Section 4.01.

2.10 "DISABILITY" shall mean a condition which makes a Participant unable to perform each of the material duties of his regular occupation where he is likely to remain thus incapacitated continuously and permanently.

2.11 "EFFECTIVE DATE" of this Restatement shall be November 16, 1995. Notwithstanding the foregoing, the survivor annuity provided under Article IX hereof shall only apply to Participants who had not retired as of July 1, 1994 and whose date of death was on or after July 1, 1994, and the amendment to the definition of Compensation contained in the 1994 Amendment and Restatement of the Plan shall apply to Compensation paid on or after January 1, 1994. In addition, the benefits provided hereunder for Jim D. Reppond and C. Kenneth Conrad shall be computed without regard to the amendment to the definition of Compensation contained in the 1994 Amendment and Restatement of the Plan and the provision of the survivor annuity referenced in the preceding sentence.

2.12 "EMPLOYER" shall mean Century Telephone Enterprises, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.13 "ESTIMATED PRIMARY INSURANCE AMOUNT" shall mean the monthly primary insurance amount calculated to be available at age 65 based on the Social Security law in effect on the Participant's Normal Retirement Date or earlier date of termination. The primary insurance amount of a Participant who terminates prior to Normal Retirement Date shall be based on the assumption that the Participant earns no compensation between his termination date and his Normal Retirement Date.

2.14 "INCENTIVE COMPENSATION" shall mean the monthly equivalent of the amount awarded to a Participant under the Company's Key Employee Incentive Compensation Program or other incentive compensation arrangement maintained by the Company, including the amount of any stock award in its cash equivalent at the time of conversion of the award from cash to stock. A Participant's Incentive Compensation shall be determined on a monthly basis by dividing the amount of the Incentive Compensation award by the number of months to which the award relates. Each award of Incentive Compensation shall, for purposes of this Plan, be allocated to the month or months to which the award relates, i.e., that period of time during which the award was earned.

2.15 "LEAVE OF ABSENCE" shall mean any extraordinary absence authorized by the Employer under the Employer's standard personnel practices.

2.16 "NORMAL RETIREMENT DATE" shall mean the first day of the month coincident with or next following a Participant's 65th birthday.

2.17 "PARTICIPANT" shall mean any officer of the Employer who is granted participation in the Plan in accordance with the provisions of Article III.

2.18 "PLAN" shall mean the Century Telephone Enterprises, Inc. Supplemental Executive Retirement Plan, as amended and restated herein.

2.19 "SALARY" shall mean the monthly equivalent of a Participant's annual rate of pay as of the date of determination of benefits hereunder, exclusive, however, of bonus payments, overtime payments, commissions, imputed income on life insurance, vehicle allowances, relocation expenses, severance payments, and any other extra compensation.

2.20 "SUBSIDIARY" shall mean any corporation in which the Company owns, directly or indirectly through subsidiaries, at least fifty percent (50%) of the combined voting power of all classes of stock.

III. Participation

3.01 Any officer who is either one of the key employees of the Company in a position to contribute materially to the continued growth and future financial success of the Company, or one who has made a significant contribution to the Company's operations, thereby meriting special recognition, shall be eligible to participate provided the following requirements are met:

a. The officer is employed on a full-time basis by Century Telephone Enterprises, Inc., any Subsidiary thereof, or any affiliate designated by the Company as a participating employer under this Plan.

b. The officer is compensated for full-time employment by a regular salary;

c. The coverage of the officer is duly approved by the Board of Directors of Century Telephone Enterprises, Inc.

It is intended that participation in this Plan shall be extended only to those officers who are members of a select group of management and highly compensated employees, as determined by the Committee.

3.02 Any officer who is currently a Participant in the Plan shall continue to be a Participant in the Plan as amended and restated.

3.03 Any officer who met the requirements defined in Section 3.01, who was age 60 as of November 21, 1983, and who was employed by the Company on January 1, 1990, will receive benefits equal to the greater of:

a. the benefit determined under this Plan, or

b. a monthly benefit equal to sixty-five percent (65%) of Salary offset by retirement income payable to the individual executive from:

1. Social Security (Primary Insurance Amount only) determined as of date of retirement under the Social Security Act.

2. The Company's Stock Bonus Plan and PAYSOP (in which case the Stock Bonus Plan and PAYSOP accumulation at date of determination will be converted to a monthly annuity on a straight life basis based upon actuarial assumptions with respect to mortality and investment return). The mortality assumptions will be based upon the 1971 Group Annuity Mortality Table. The investment return assumption will reflect current market conditions as measured by the 52-week Treasury bill rate as determined monthly.

3. Benefits payable from any qualified or nonqualified plan attributable to prior employment for those officers who are hired on or after attainment of age 55 (in which case the benefit(s) will be expressed in terms of a monthly annuity on a straight life basis payable at date of retirement).

IV. Credited Service

4.01 A Participant will receive credit for each year of employment, calculated in completed years and months regardless of the number of hours worked. Credited service will include all years of service prior to becoming an officer of the Company, years of service following Normal Retirement Date, and years of service with any Subsidiary or any affiliate designated by the Company as a participating employer under this Plan. In addition, periods of Leave of Absence and periods during which severance pay is provided shall count as periods of service. A fraction of a year of Credited Service will be given for completed months during the year of termination.

4.02 At the discretion of the Board of Directors, service with a predecessor employer may be credited for purposes of this Plan. If such service is credited to a Participant, the benefit payable under this Plan shall be reduced by any benefit payable from the prior employer. The Board of Directors shall make a determination whether service with a predecessor employer will be credited to a Participant prior to the Participant's commencement of participation in this Plan, and such determination, once made, shall be irrevocable. If no determination is made by the Board of Directors prior to a Participant's commencement of participation in this Plan, service with a predecessor employer by such Participant shall not be credited for purposes of this Plan.

V. Normal Retirement

5.01 Except as provided in Section 3.03, the monthly retirement benefit payable to a Participant on his Normal Retirement Date shall be equal to (a) less (b), where:

(a) is 1 1/2% of Average Monthly Compensation multiplied by Credited Service, not greater than 30 years.

(b) is 3 1/3% of Estimated Primary Insurance Amount, multiplied by Credited Service, not greater than 30 years.

5.02 The normal form of payment of a Participant's normal retirement benefit shall be an annuity payable for the life of the Participant.

VI. Late Retirement

6.01 If a Participant remains employed beyond his Normal Retirement Date, his late retirement date will be the first day of the month coincident with or next following his actual date of retirement.

6.02 A Participant's late retirement benefit will be calculated in accordance with Section 5.01, based on his Average Monthly Compensation and Credited Service as of his late retirement date. His Primary Insurance Amount will be computed as of his Normal Retirement Date.

VII. Early Retirement

7.01 A Participant who has attained age 55, and who has completed 15 or more years of service, is eligible for early retirement. An eligible Participant's early retirement date is the first day of the month coincident with or next following the date he terminates employment.

7.02 A Participant's early retirement benefit is 100% of his Accrued Benefit computed as of his early retirement date, payable at his Normal Retirement Date.

7.03 A Participant may elect to receive his early retirement benefit prior to Normal Retirement Date, in which event the benefit payable will be reduced according to the following schedule:

Age at Commencement

Percentage of Accrued Benefit

55	50 %
56	53 %
57	56 %
58	60 %
59	63 %
60	66 %
61	73 %
62	80 %
63	86 %
64	93 %
65	100 %

7.04 The Board of Directors, at its sole discretion, may grant to a Participant 100% of his Accrued Benefit, payable at his early retirement date without such benefit being subject to the reductions set forth in Section 7.03, provided the Participant has met the requirements of Section 7.01.

VIII. Disability

8.01 A Participant who becomes disabled, as defined in Section 2.10, prior to retirement or termination of service will be entitled to a disability benefit computed in accordance with Section 8.02.

8.02 A Participant's disability benefit will be calculated in accordance with Section 5.01 based on (1) his Average Monthly Compensation projected to Normal Retirement Date assuming his Compensation as of the date of his disability remains constant, (2) his projected service to Normal Retirement Date and (3) his Estimated Primary Insurance Amount based on the Social Security law in effect on the date of his disability.

8.03 A Participant's disability benefit will commence at his Normal Retirement Date, and the normal form of benefit payment will be an annuity payable for the life of the Participant.

IX. Death Benefit

9.01 Upon the death of a Participant who is actively employed or on Leave of Absence at the time of his death or who has retired or become disabled prior to the commencement of benefit payments hereunder, a Participant's beneficiary (as determined under Section 9.02) will be entitled to receive a death benefit determined in accordance with Section 9.03.

9.02 The beneficiary of a Participant who is married on the date of his death shall be his spouse. The beneficiary of an unmarried Participant shall be his living children as of his date of death.

9.03 The monthly death benefit payable to the beneficiary of a Participant shall be equal to (a) less (b), where:

(a) is 36% of Average Monthly Compensation projected to his Normal Retirement Date assuming his Compensation as of his date of death remains constant until his Normal Retirement Date.

(b) the amount of primary Social Security benefits received by the beneficiary, or to which the beneficiary may be entitled, as determined by the Committee. The Committee's determination hereunder shall be binding and conclusive.

9.04 The death benefit shall be paid to the surviving spouse, if any, of the Participant for his or her life. If the Participant is unmarried at the date of death, or if the surviving spouse dies subsequent to the Participant's death, the death benefit shall be paid to the Participant's surviving child or children (or legal representative of any minor child) in equal shares. The death benefit payable to a child shall terminate upon the later of the child's attainment of age 19 or age 23, if a full-time student at an accredited educational institution, and such share shall thereafter revert to and be payable equally to the remaining surviving children of the Participant until the interest of each such surviving child has terminated.

9.05 If a Participant has no surviving spouse or children at the date of his or her death, no death benefit shall be paid under this Plan.

X. Termination of Service; Change in Control

10.01 If a Participant terminates service prior to death, disability or retirement, his Accrued Benefit determined under Section 2.01 shall be vested in accordance with the following schedule:

Years of Service	Vested %
less than 5	0%
5 or more	100%

10.02 A Participant's vested Accrued Benefit is payable at his Normal Retirement Date. A Participant may elect to have his benefit commence prior to age 65 but after age 55 if he meets the service requirements for early retirement pursuant to Section 7.01. If the benefit commences

before age 65, the amount of monthly benefit will be reduced according to the schedule set forth in Section 7.03.

10.03 (a) Notwithstanding anything to the contrary in this Plan or in any applicable law or regulation, upon the earlier of (i) the occurrence of a Change in Control, (ii) the date that any person or entity submits an offer or proposal to the Company that results in or leads to a Change in Control (whether by such person or any other person) or (iii) the date of the public announcement of a Change in Control or an offer, proposal or proxy solicitation that results in or leads to a Change in Control (whether by the person or entity making such announcement or any other person) (the earliest of such dates being hereinafter referred to as the "Effective Date"), the Accrued Benefit of each Participant (other than any Participant whose service as an employee was terminated prior to full vesting of his Accrued Benefit under Section 10.01) and the benefits conferred under this Section shall automatically vest and thereafter may not be adversely affected in any matter without the prior written consent of the Participant. Notwithstanding anything to the contrary in this Plan, upon the occurrence of a Change in Control any Participant who is then employed by Century or its subsidiaries ("Active Participants") shall have an irrevocable right to receive, and the Company shall be irrevocably obligated to pay, a lump sum cash payment in an amount determined pursuant to this Section if the Company or its successor, during a period commencing upon the Effective Date and ending on the third anniversary of the occurrence of the Change in Control, (i) terminates the Active Participant's employment, (ii) reduces the Active Participant's salary in effect immediately prior to the Effective Date, (iii) diminishes the Active Participant's duties, responsibilities or position in the management of the Company or (iv) requires the Active Participant to relocate involuntarily to an office outside of the city in which he performed his services for the Company immediately prior to the Effective Date (each such action being referred to as an "Effective Termination"). The lump sum cash payment payable to Active Participants under this Section (the "Lump Sum Payment") shall be paid on the date of Effective Termination or as soon thereafter as is administratively feasible.

(b) The amount of each Lump Sum Payment shall be determined as follows:

(i) With respect to any Active Participant who, after giving effect to the terms of subsection (b)(iv) below, is eligible as of the date of Effective Termination to receive benefits under Articles V or VI of this Plan, the Lump Sum Payment shall equal the Present Value (as defined below) of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Articles V or VI of this Plan (assuming such benefits are paid in the form of a lifetime annuity), based upon such participant's Average Monthly Compensation, Estimated Primary Insurance Amount and Credited Service as of the date of Effective Termination, without giving effect to any salary reductions that gave rise to such Effective Termination, but after giving effect to the terms of subsection (b)(iv) below.

(ii) With respect to any Active Participant who, after giving effect to the terms of subsection (b)(iv) below, is not eligible as of the date of Effective Termination to receive benefits under Articles V, VI or VII of this Plan, the Lump Sum Payment shall equal the product of (A) the Present Value, calculated as of age 65, of the stream of payments to which such participant would have otherwise been entitled to receive at age 65 in accordance with the terms of this Plan based on the same assumptions and terms set forth in subsection (b)(i) above, multiplied times (B) such discount factor as is necessary to reduce the amount determined under subsection (b)(ii)(A) above to its Present Value, it being understood that in calculating such discount factor, no discount shall be applied to reflect the possibility that such participant may die prior to attaining age 65.

(iii) With respect to any Active Participant who, after giving effect to the terms of subsection (b)(iv) below, is eligible as of the date of Effective Termination to receive benefits under Article VII of the Plan, the Lump Sum Payment shall equal the greater of (A) the Present Value of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Article VII of this Plan, based upon the assumptions and terms set forth in subsection (b)(i) above, or (B) the Present Value, calculated as of age 65, of the stream of payments to which such participant would otherwise be entitled to receive at age 65 in accordance with this Plan, determined in the same manner and subject to the same assumptions and terms set forth in subsection (b)(ii) above.

(iv) In calculating the Lump Sum Payment due to any Active Participant under this Section, the number of years of Credited Service of the Active Participant shall be deemed to equal the number of years determinable under the other sections of this Plan plus three years and the Active Participant's age shall be deemed to equal his actual age plus three years; provided, however, that in no event shall the provisions of this subsection be applicable if the application thereof will reduce the Active Participant's Lump Sum Payment from the amount that would otherwise be payable with the addition of less than three years of service, age or both.

(v) As used in this Section with respect to any amount, the "Present Value" of such amount shall mean the discounted value of such amount that is determined by making customary present value calculations in accordance with generally accepted actuarial principles, provided that (A) the discount interest rate applied in connection therewith shall equal the interest rate quoted by the Bloomberg Municipal AAA General Obligation 5-Year Index (as of the close of business on the first business day of the calendar quarter in which such present value calculations are made) or, in the event such index is no longer published, any similar index for comparable municipal securities and (B) the mortality tables applied in connection therewith shall be "1983 Group Annuity Mortality Table (50% male/50% female)" as prescribed by the Pension Benefit Guaranty Corporation or any successor table prescribed by such organization.

(c) Notwithstanding anything to the contrary in this Plan, upon the sooner of the occurrence of a Change in Control or the approval by the Board of Directors of the Company of any Change in Control, the Company shall promptly consult with each Participant who has already begun to receive periodic payments under this Plan ("Retired Participants") and, following such consultations, the Company shall have the option with respect to each Retired Participant to (i) confirm in writing its obligation to continue to provide to such Retired Participant all

benefits hereunder in the same manner provided prior to the Change in Control or (ii) make a lump sum cash payment in an amount equal to the Present Value of the participant's future stream of payments which would otherwise be payable under this Plan. If the Company elects to furnish any Retired Participant with a lump sum cash payment, the Company shall offer to assist such participant in purchasing at such participant's cost an annuity for the benefit of such participant.

(d) Notwithstanding anything to the contrary in this Plan, upon the occurrence of Change in Control, any Participant (other than a Retired Participant) who is then a former employee of Century or its subsidiaries whose Accrued Benefit is vested under Section 10.01 ("Inactive Participants") shall have an irrevocable and unconditional right to receive, and the Company shall be irrevocably and unconditionally obligated to pay, a lump sum payment in an amount determined in the manner provided in subsection (b)(ii) or (iii), as applicable; provided, however, that no Inactive Participant will be entitled to the benefits of subsection (b)(iv).

XI. Form of Benefit Payment

11.01 The normal form of benefit payment is a monthly lifetime annuity, payable in accordance with the Company's standard payroll practices.

11.02 A Participant may, prior to commencement of participation in the Plan, elect an optional form of payment which is the Actuarial Equivalent of a Participant's basic monthly pension, as follows:

Option 1: A reduced monthly pension payable for the lifetime of the Participant with a minimum of sixty (60) monthly payments guaranteed.

Option 2: A reduced monthly pension payable for the lifetime of the Participant with a minimum of one hundred twenty (120) monthly payments guaranteed.

Option 3: A reduced monthly pension payable for the lifetime of the Participant with a minimum of one hundred eighty (180) monthly payments guaranteed.

Option 4: A reduced monthly pension, payable to the Participant for the life of the Participant, with monthly payments of one-half (1/2) the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 5: A reduced monthly pension payable to the Participant for the life of the Participant, with reduced monthly payments of two thirds (2/3) of the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 6: A reduced monthly pension payable to the Participant for the life of the Participant, with reduced monthly payments of three fourths (3/4) of the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 7: A reduced monthly pension payable to the Participant for the life of the Participant, with the same monthly pension payable after the Participant's death for the life of the Participant's spouse.

11.03 If a Participant does not elect an optional form of benefit payment under Section 11.02 prior to the commencement of participation in the Plan, such Participant's benefits shall be paid in the normal form provided in Section 11.01.

XII. Reemployment of Participants

12.01 If a Participant retires or otherwise terminates employment with the Employer and such Participant is reemployed by the Employer, his entitlement to any benefits will be determined on the basis of the provisions of the Plan in effect on his subsequent termination date. The benefit will be based on the Average Monthly Compensation, Estimated Primary Insurance Amount and Credited Service as of the date of subsequent termination, taking into account all Credited Service prior to the Participant's reemployment date. For purposes of calculating Average Monthly Compensation, the average of the 36 consecutive months' Compensation which produce the highest average out of the last 120 months of employment will be considered, without regard to the break in service.

12.02 If a Participant is reemployed after benefit commencement, the payment of any benefit to such Participant under the Plan on account of his retirement or severance shall be suspended by reason of such reemployment. The amount of his benefit at his subsequent termination will be calculated in accordance with Section 12.01 but reduced by the Actuarial Equivalent of any benefit payments received prior to subsequent termination.

12.03 The form of monthly benefit payment upon subsequent termination shall be the form of payment that was in effect prior to reemployment. If the Participant was married at the time of benefit commencement, and if the Participant's spouse dies prior to subsequent commencement of benefit payments, such form of payment shall remain applicable (as though he were married to his deceased spouse) with no further payments upon his death.

XIII. Additional Restrictions on Benefit Payments

13.01 In no event will there be a duplication of benefits payable under the Plan because of employment by more than one participating Employer.

XIV. Administration and Interpretation

14.01 The Plan shall be administered by the Board of Directors through a Committee which shall consist of three or more members of the Board of Directors of the Company. No individual who is or has ever been a member of the Committee shall be eligible to be designated as a participant or receive payments under this Plan. The Committee shall have full power and authority to interpret and administer the Plan and, subject to the provisions herein set forth, to prescribe, amend and rescind rules and regulations and make all other determinations necessary or desirable for the administration of the 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.

14.02 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 employee 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.

XV. Nature of the Plan

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 the Century Telephone Enterprises, Inc. Supplemental Executive Retirement Trust (the "Trust") established by the Company for the purpose of funding the Company's obligations under the Plan. Participants and their beneficiaries, however, have no secured interest or special claim to the assets of the 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.

XVI. Employment Relationship

An employee shall be considered to be in the employment of the Company and its subsidiaries as long as he remains an employee of either the Company, any Subsidiary of the Company, or any corporation to which substantially all of the assets and business of the Company are transferred. Nothing in the adoption of this Plan nor the designation of any Participant shall confer on any employee the right to continued employment by the Company or a Subsidiary of the Company, or affect in any way the right of the Company or such Subsidiary to terminate his employment at any time. Any question as to whether and when there has been a termination of an employee's employment, and the cause, notice or other circumstances of such termination, shall be determined by the Board, and its determination shall be final.

XVII. Amendment and Termination of Plan

The Board of Directors of the Company in its sole discretion may terminate the Plan at any time, and shall have the right to alter or amend the Plan or any part thereof from time to time, except that the Board of Directors shall not terminate the Plan or make any alteration or amendment thereto which would impair any rights or benefits of a Participant previously accrued.

XVIII. Binding Effect

This Plan shall be binding on the Company, each Subsidiary, and any affiliate designated by the Company as a participating employer under this Plan, the successors and assigns thereof, and any entity to which substantially all of the assets or business of the Company, a Subsidiary, or a participating affiliate are transferred.

XIX. Reimbursement to Participants

The Company shall reimburse any Participant, or beneficiary thereof, for all expenses, including attorney's fees, actually and reasonably incurred by the Participant or beneficiary in any proceeding to enforce any of their rights under this Plan.

XX. Construction

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. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall, unless otherwise specifically stated, mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from, the terms of the Plan.

IN WITNESS WHEREOF, Century Telephone Enterprises, Inc. has executed this restated Plan in its corporate name and its corporate seal to

be hereunto affixed this 26 day of January, 1996.

ATTEST:

/s/ Sandra B. Post

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CENTURY TELEPHONE ENTERPRISES, INC.

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

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

Exhibit 10.1(e)

**CENTURY TELEPHONE ENTERPRISES, INC.
AMENDED AND RESTATED
1983 RESTRICTED STOCK PLAN**

1983 RESTRICTED STOCK PLAN, dated as of February 21, 1984, as amended and restated as of November 16, 1995.

W I T N E S S E T H:

WHEREAS, on February 21, 1984, Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company") executed a plan providing for awards of restricted stock to key employees on terms and conditions substantially similar to those set forth herein (the "Original Plan"); and

WHEREAS, the Company wishes to modify the Original Plan to amend and restate the second paragraph of Section 8 of the Original Plan, as approved by the Compensation Committee of the Company's Board of Directors on November 16, 1995 and ratified by the full Board as of the same date;

NOW THEREFORE, the Original Plan is hereby amended and restated in its entirety to read as follows:

1. Purpose. The purpose of the 1983 Restricted Stock Plan is to aid Century Telephone Enterprises, Inc. in securing and retaining key employees of outstanding ability, and to motivate such individuals to exert their best efforts on behalf of the Company. In addition, the Company expects that it will benefit from the added interest which such individuals will have in the welfare of the Company as a result of their ownership or increased ownership of the Company's Common Stock. This Plan may be utilized in conjunction with other short or long term incentive plans at the discretion of the Board of Directors.

2. Definitions. As used in this Plan, the following terms shall have the meanings indicated:

- (a) "Board of Directors" or "Board" shall mean not less than a quorum of the whole Board of Directors of Century Telephone Enterprises, Inc.
- (b) "Committee" shall mean a subcommittee of the Compensation Committee of the Board of Directors as described in Section 4 of the Plan, or the Board if no Committee has been appointed.
- (c) "Common Stock" shall mean the Company's presently authorized shares of Common Stock as this definition may be modified as provided in Section 7 of the Plan.
- (d) "Company" shall mean Century Telephone Enterprises, Inc. and its subsidiaries.
- (e) "Normal Retirement Date" shall be the first of the month following or coincident with a Participant's 65th birthday or such other earlier date as approved by the Board of Directors upon request of a Participant.
- (f) "Participant" shall mean any person who is employed by the Company on a full-time basis, is compensated for such employment by a regular salary, and in the opinion of the Committee is either one of the key employees of the Company in a position to contribute materially to the continued growth and development and future financial success of the Company or one who has made a significant contribution to the Company's operations, thereby meriting special recognition. The Participant shall be designated by the Committee as belonging to Tier I, Tier II, Tier III or Tier IV.
- (g) "Plan" shall mean the Century Telephone Enterprises, Inc. 1983 Restricted Stock Plan.
- (h) "Subsidiary" shall mean any corporation in which the Company owns, directly or indirectly through subsidiaries, at least fifty percent (50%) of the combined voting power of all classes of stock.

3. Stock Subject to the Plan. The maximum number of shares of Common Stock which may be awarded under the Plan shall not exceed an aggregate of 250,000 shares. All such stock shall be shares of Common Stock which have been authorized but unissued or treasury shares. Shares of stock awarded under the Plan and later reacquired by the Company pursuant to the Plan shall again become available for awards under the Plan.

4. Administration. The Plan shall be administered by the Board of Directors, through a subcommittee of the Compensation Committee consisting of three or more members of the Board who are not eligible to receive restricted stock awards under the 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.

Subject to the provisions of the Plan, the Committee shall have exclusive power to select the employees to whom shares of Common Stock will

be awarded under the Plan, to determine the number of shares to be awarded to each employee selected, and to determine the time or times when shares will be awarded. The Committee shall have full power and authority to administer and interpret the Plan and to adopt such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as the Committee deems necessary or advisable. The Committee's interpretations of the Plan, and all determinations made by the Committee pursuant to the powers vested in it hereunder, shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. A majority of the members present at any meeting at which a quorum is present, or acts approved in writing by all members of the Committee shall be deemed the action of the Committee.

5. Eligibility. The individuals who shall be eligible to participate in the Plan shall be any full-time employee of the Company.

6. Grant of Shares. The eligible Employees who shall receive shares of Common Stock under the Plan, the number of shares to be received by each such employee, and, subject to the provisions of Section 7, the conditions under which such shares must be returned to the Company, shall be determined by the Committee.

7. Terms and Conditions of Awards. All shares of Common Stock awarded to Participants under this Plan shall be subject to the following terms and conditions, and to such other terms and conditions not inconsistent with the Plan as shall be contained in the Agreement referred to in Section 7(e).

(a) At the time of the award there shall be established for each Participant a "Restriction Period" which shall be a specific period of time to be determined by the Committee. Shares of stock awarded to Participants may not be sold, assigned, transferred, pledged or otherwise encumbered, except as hereinafter provided, during the Restriction Period. At the time of an award of restricted shares to a Participant, the Board may also provide for the Restriction Period to lapse according to the terms designated by the Committee. Except for such restrictions on transfer, the Participant as owner of such shares shall have all the rights of a shareholder of Common Stock, including but not limited to the right to receive all dividends paid on such shares, subject to the provisions of Section 8, and the right to vote such shares.

(b) If a Participant ceases to be a full-time employee of the Company for any reason other than (i) death, (ii) disability, or (iii) retirement on or after a Participant's Normal Retirement Date, all shares of stock theretofore awarded to him which are still subject to the restrictions imposed by Section 7(a) shall upon such termination of employment be forfeited and returned to the Company, provided, however, that in the event employment is terminated by retirement at the request of the Company or by action of the Company without cause, the Committee may, but need not, determine that some or all of the shares shall be free of restrictions and shall not be forfeited.

(c) If a Participant ceases to be an employee of the Company and its subsidiaries by reason of death, disability, or retirement on or after Normal Retirement Date, the restrictions imposed by Section 7(a) shall lapse with respect to the shares theretofore awarded.

(d) Each certificate issued in respect of shares awarded under the Plan shall be registered in the name of the Participant and deposited by him, together with a stock power endorsed in blank, with the Company and shall bear the following legend:

"The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) contained in the 1983 Restricted Stock Plan for Century Telephone Enterprises, Inc., and an Agreement entered into between the registered owner and Century Telephone Enterprises, Inc. Copies of such Plan and Agreement are on file in the office of the Secretary of Century Telephone Enterprises, Inc., Monroe, Louisiana."

(e) The Participant shall enter into an Agreement with the Company in a form specified by the Committee agreeing to the terms and conditions of the award and such other matters, including compliance with applicable Federal and State Securities Laws, and methods of withholding required taxes, as the Committee shall in its sole discretion determine.

(f) At the expiration of the Restriction Period imposed pursuant to Section 7(a), the Company shall redeliver to the Participant, or his legal representative, the shares deposited with it pursuant to Section 7(d).

8. Changes in Capitalization. In the event there is a change in classification of, or subdivision or combination of, or stock dividend on the outstanding Common Stock of the Company, the maximum aggregate number and class of shares as to which awards may be granted under the Plan shall be appropriately adjusted by the Committee whose determination shall be conclusive. Any shares of Common Stock or other securities or assets (other than ordinary cash dividends) received by a Participant with respect to shares awarded to him which are still subject to the restrictions imposed pursuant to Section 7(a) will be subject to the same restrictions and shall be deposited by the Participant with the Company.

Upon the occurrence of a Change in Control (as defined below), all restrictions imposed pursuant to Section 7(a) with respect to any outstanding award hereunder shall automatically lapse. A Change in Control shall mean the occurrence of any of the following events: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power

of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the Surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company.

9. Amendment or Termination. The Board may from time to time alter, amend, suspend or discontinue the Plan, except that no alteration or amendment shall, without the approval of a majority of the stockholders of the Company and entitled to vote at a duly called stockholders' meeting increase the total number of shares which may be awarded under the Plan, except as provided in Section 8, or change the standards of eligibility of employees eligible to participate in the Plan. No such amendment or modification shall, however, adversely affect, without his written consent, any employee with respect to stock already awarded to him.

10. Choice of Law. The place of administration of the Plan shall be within the State of Louisiana and the validity, interpretation and administration of the Plan and of any rules, regulations, determinations or decisions made thereunder shall be determined exclusively in accordance with the laws of the State of Louisiana. Without limiting the generality of the foregoing, the period within which any action in connection with the Plan must be commenced shall be governed by the laws of the State of Louisiana, without regard to the place where the act or omission complained of took place, the residence of any party to such action or the place where the action may be brought.

11. Withholding of Taxes. Participant shall advise the Company within 30 days of written notification of the stock award whether Participant wishes to be taxed at the time of grant or at the time the Restriction Period expires. At the time the Participant elects to be taxed, Participant shall advise the Company whether it shall withhold from regular compensation the amount of applicable taxes or Participant shall pay the Company the amount of Federal tax required to be withheld.

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

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ Glen F. Post, III

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

Exhibit 10.1(f)

**CENTURY TELEPHONE ENTERPRISES, INC.
AMENDED AND RESTATED
KEY EMPLOYEE INCENTIVE COMPENSATION PLAN**

KEY EMPLOYEE INCENTIVE COMPENSATION PLAN, effective as of January 1, 1984, as amended and restated as of November 16, 1995.

W I T N E S S E T H:

WHEREAS, effective January 1, 1984, Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company") executed an agreement providing for incentive bonuses for valued key employees on terms and conditions substantially similar to those set forth herein (the "Original Plan"); and

WHEREAS, the Company wishes to amend and restate the Original Plan to add a new Section 15 thereto, as approved by the Compensation Committee of the Company's Board of Directors on November 16, 1995 and ratified by the full Board as of the same date;

NOW THEREFORE, the Original Plan is hereby amended and restated in its entirety to read as follows:

1. Purpose. The purpose of this Key Employee Incentive Compensation Plan is to advance the interests of the Company by strengthening, through the use of incentive bonuses, the ability of the Company to attract and retain valued key employees upon whose judgment, initiative and efforts the successful conduct and development of the Company depends.

2. Definitions. The following definitions shall be utilized in administering the Plan:

(a) "Board of Directors" or "Board" shall mean the Board of Directors of Century Telephone Enterprises, Inc.

(b) "Committee" shall mean a subcommittee of the Compensation Committee made up of members of the Board of Directors who are not participants in this Plan.

(c) "Company" shall mean Century Telephone Enterprises, Inc. and its subsidiaries.

(d) "Incentive Pool" shall mean the amount available with respect to each Plan Year from which awards are made for each such Plan Year.

(e) "Maximum Bonus Opportunity" shall mean an amount equal to the maximum percentage of the Participant's base salary which may be paid to the Participant as a bonus award subject to performance criteria as determined by the Committee from time to time.

(f) "Participant" shall mean any person who is employed by the Company on a full-time basis, is compensated for such employment by a regular salary, and in the opinion of the Committee is either one of the key employees of the Company in a position to contribute materially to the continued growth and development and future financial success of the Company or one who has made a significant contribution to the Company's operations, thereby meriting special recognition. The Participant shall be designated by the Committee as belonging to Tier I, Tier II, Tier III or Tier IV.

(g) "Plan" shall mean the Century Telephone Enterprises, Inc. Key Employee Incentive Plan.

(h) "Plan Year" shall mean the fiscal year of the Company which is currently January 1 to December 31.

(i) "Targeted Bonus Opportunity" shall mean an amount equal to the targeted percentage of the Participant's base salary which may be paid to the Participant as a bonus award, subject to performance criteria as determined by the Committee from time to time.

(j) "Termination Date" shall mean the date of a Participant's severance from employment with the Company by death, disability, resignation, discharge or other termination of employment.

(k) "Subsidiary" shall mean any corporation in which the Company owns directly, or indirectly through a subsidiary or subsidiaries, at least fifty percent (50%) of the combined voting power of all classes of stock.

3. Administration. The Committee shall have authority to establish the following procedures for the administration of the Plan:

(a) Establish, review and amend performance goals;

(b) Determine the maximum amount of the Incentive Pool, subject to Section 5 herein;

(c) Determine the amounts of Targeted and Maximum Bonus Opportunity, subject to Section 6 herein; and

(d) Establish regulations for the administration of the Plan, interpret the Plan, and make all determinations deemed necessary for the administration of the Plan.

The Committee's interpretations of the terms and provisions of this Plan shall be final and conclusive, and it shall have the power and duty to construe the Plan in a manner necessary to carry out its purposes.

No member of the Committee or of the Board of Directors as a whole shall be liable to any person for any action taken or omitted in connection with the interpretation or administration of the Plan.

All expenses of administration of the Plan shall be borne by the Company, and no part thereof shall be charged against the awards payable to the Plan Participants.

4. Participation. Participants in the Plan shall be those key employees designated as Participants by the Committee. In order to receive an award, the Participant must be an employee of the Company at the time the bonus payment is made. However, this requirement may be waived by the Committee in situations such as death, disability, retirement or other cases as determined by the Committee.

5. Incentive Bonus Opportunity. The amounts of the Targeted and the Maximum Bonus Opportunity for each Participant in Tier I, Tier II, Tier III and Tier IV respectively shall be based upon a formula or formulas determined by the Compensation Committee on an annual basis and shall be defined as a percentage of base salary for each Participant.

6. Maximum Amount Available for Awards. Promptly after the end of each Plan Year, the amount of the Incentive Pool shall be determined by the Compensation Committee, based upon the predetermined formula or formulas subject, however, to the right of the Board of Directors to reduce the amount of the Incentive Pool in its sole discretion. The bonus awards shall not be distributed until the amounts of the Incentive Pool and the Plan Participants are determined, and the Committee has authorized payment of the bonus awards provided that if the Board of Directors has reduced the Incentive Pool, awards will be reduced proportionately.

7. Allocation of Incentive Bonus Fund. The Committee shall in its sole discretion award bonuses within the predetermined maximum limits to Participants from the Incentive Pool. The Committee, subject to approval of the Board of Directors, shall determine each year whether the value of the award will be paid in cash, common stock, or a combination thereof. If payment of the award is partially or totally in the form of Common Stock, the Committee, at its discretion, may utilize shares of stock allocated to the 1983 Restricted Stock Plan. Any such stock payments shall be subject to the provisions of the Restricted Stock Plan and an individual award agreement between the Company and the Participant.

8. Termination of Employment. In the event a Participant's employment with the Company is severed by normal retirement, early retirement (with Company's permission), permanent disability, or death, the Participant or his beneficiary shall receive the award, payable in cash, as earned for the entire Plan Year in which the retirement, permanent disability or death occurred. In the event of death, the award shall be paid by the Company to the beneficiary designated by the Participant, or if the Participant has failed to make such designation, then to the personal representative of the Participant's estate. Any Participant whose employment is terminated for any reason other than normal retirement, early retirement (with Company's permission), permanent disability, or death during the Plan Year shall not receive an award for that Plan Year.

9. Forfeiture of Benefits. In the event a Participant is discharged by the Company for cause, including, without limitation, fraud, embezzlement, theft, commission of a felony, proven dishonesty or other unethical behavior, or disclosure of trade secrets of the Company, then the amount of any benefit provided under this Plan to which the Participant would otherwise be entitled shall be forfeited. The decision of the Board as to the cause of a former Participant's discharge shall be final. No decision of the Board, however, shall affect finality of the discharge of such Participant by the Company in any manner.

10. Assignments and Transfers. A Participant shall not assign, encumber, or transfer his rights and interests under the Plan, and any attempt to do so shall render those rights and interests null and void.

11. Employee Rights Under the Plan. Nothing in this Plan shall be construed to:

- (a) Give any employee of the Company any claim or right to be granted an award under this Plan;
- (b) Limit in any way the right of the Company to terminate a Participant's employment with the Company at any time; or
- (c) Be evidence of any agreement or understanding, express or implied, that the Company will employ a Participant in any particular position or at any particular rate of remuneration.

12. Amendment and Termination. The Board of Directors may amend, suspend or terminate the Plan at any time. Any amendment or termination of the Plan shall not, however, affect the right of any Participant to receive the award payments earned in the current Plan Year or any unpaid awards under the Plan authorized and communicated to Participants prior to the date of such amendment or termination.

13. Withholding of Taxes. The Company shall deduct from the amount of all benefits paid under the Plan any taxes required to be withheld by the Federal or any State or local government.

14. Effective Date and Term of Plan. The effective date of this Plan is January 1, 1984, and the effective date of this Amendment and Restatement is November 16, 1995. The Plan shall consist of individual calendar year Plans, one of which will commence January 1, 1984 (the 1984 Plan), and every consecutive January 1 thereafter during the continuance of the Plan. The Plan shall continue until terminated by the Board of Directors as provided herein.

15. Change in Control. Notwithstanding any other provision hereof, upon a Change in Control (as defined below), the Plan Year shall be deemed to end on the date the Change in Control occurs (the "Change in Control Date") and the Committee (notwithstanding any removal or attempted removal of some or all of the members thereof as directors or committee members) shall review the Company's performance through the Change of Control Date and, after annualizing such performance to the extent necessary or appropriate, determine the extent to which the performance goals were met with respect to such Plan Year, in which event all awards payable under this Plan with respect to such Plan Year (along with any unpaid awards under this Plan relating to any prior Plan Year) shall be payable in accordance with past practice in full in cash, without any offset or reduction, to the same extent as if no Change in Control had occurred. A Change in Control shall mean the occurrence of any of the following events: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the Surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company. Notwithstanding any other provision to the contrary in this Plan or in any applicable law or regulation, the benefits conferred under this Section to a Participant shall automatically vest upon the earlier of (i) the occurrence of a Change in Control, (ii) the date that any person or entity submits an offer or proposal to the Company that results in or leads to a Change in Control (whether by such person or any other person) or (iii) the date of the public announcement of a Change in Control or an offer, proposal or proxy solicitation that results in or leads to a Change in Control (whether by the person or entity making such announcement or any other person), and thereafter such benefits may not be adversely affected in any manner without the prior written consent of the Participant.

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

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ Glen F. Post, III

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

Exhibit 10.1(q)

**CENTURY TELEPHONE ENTERPRISES, INC.
SUPPLEMENTAL DEFINED CONTRIBUTION PLAN
1995 RESTATEMENT**

I. Purpose of the Plan

This Restated Supplemental Defined Contribution Plan (the "Plan") is intended to provide Century Telephone Enterprises, Inc. (the "Company") and its subsidiaries a method for attracting and retaining key employees; to provide a method for recognizing the contributions of such personnel; and to promote executive and managerial flexibility, thereby advancing the interests of the Company and its stockholders. In addition, the Plan is intended to provide a more adequate level of retirement benefits in combination with the Company's general retirement program.

II. Definitions

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

2.01 "ACCOUNT" shall mean the account established under this Plan in accordance with Section 4.01.

2.02 "ACCOUNT BALANCE", as of a given date, shall mean the fair market value of a Participant's Account, as determined by the Committee.

2.03 "BOARD OF DIRECTORS" shall mean not less than a quorum of the whole Board of Directors of Century Telephone Enterprises, Inc.

2.04 "COMMITTEE" shall mean three or more members of the Board of Directors as described in Section 11.01 of the Plan, or the Board if no Committee has been appointed.

2.05 "COMMON STOCK" shall mean the common stock, \$1.00 par value per share, of the Company.

2.06 "COMPANY" shall mean Century Telephone Enterprises, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.07 "COMPENSATION" shall mean a sum of Participant's Salary, determined under Section 2.20 and Incentive Compensation, determined under Section 2.11, for a particular year. The determination of a Participant's Compensation for purposes of this Plan shall be made by the Committee, in its sole discretion.

2.08 "DISABILITY" shall mean a condition which makes a Participant unable to perform each of the material duties of his regular occupation where he is likely to remain thus incapacitated continuously and permanently.

2.09 "EFFECTIVE DATE" of this Plan shall mean January 1, 1994. The effective date of this Restatement shall be November 16, 1995.

2.10 "EMPLOYER" shall mean Century Telephone Enterprises, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.11 "INCENTIVE COMPENSATION" shall mean the amount awarded to a Participant under the Company's Key Employee Incentive Compensation Program or other executive incentive compensation arrangement maintained by the Company, including the amount of any stock award in its cash equivalent at the time of conversion of the award from cash to stock. A Participant's Incentive Compensation shall be determined on an annual basis and shall, for purposes of this Plan, be allocated to the year or years to which the award relates, i.e., the period of time during which the award was earned.

2.12 "LEAVE OF ABSENCE" shall mean any extraordinary absence authorized by the Employer under the Employer's standard personnel practices.

2.13 "NORMAL RETIREMENT AGE" shall mean age sixty-five (65).

2.14 "NORMAL RETIREMENT DATE" shall mean the first day of the month coincident with or next following a Participant's sixty-fifth (65th) birthday. Normal Retirement Age shall mean age sixty-five (65).

2.15 "PARTICIPANT" shall mean any officer of the Employer who is granted participation in the Plan in accordance with the provisions of Article III.

2.16 "PHANTOM STOCK UNIT" shall mean a unit, the value of which is equal to the value of a share of Common Stock, but does not represent actual shares of Common Stock.

2.17 "PLAN" shall mean the Century Telephone Enterprises, Inc. Supplemental Defined Contribution Plan, as amended and restated herein.

2.18 "PLAN CONTRIBUTIONS" shall mean the total dollar amount of contributions made, directly or indirectly, on behalf of a Participant under the Company's Stock Bonus Plan, PAYSOP and Trust and the Company's Employee Stock Ownership Plan and Trust.

2.19 "PLAN CONTRIBUTION PERCENTAGE" shall mean the estimated total of the percentage of compensation of employees of the Company contributed by the Company to its Stock Bonus Plan, PAYSOP and Trust and its Employee Stock Ownership Plan and Trust, as determined by dividing Plan Contributions for a particular year by estimated compensation taken into account under such plans for the year. The Committee, in its sole discretion, shall determine the Plan Contribution Percentage for each year, and such determination shall be binding and conclusive.

2.20 "SALARY" shall mean a Participant's actual pay for the calendar year, exclusive, however, of bonus payments, overtime payments, commissions, imputed income on life insurance, vehicle allowances, relocation expenses, severance payments, and any other extra compensation.

2.21 "SUBSIDIARY" shall mean any corporation in which the Company owns, directly or indirectly through subsidiaries, at least fifty percent (50%) of the combined voting power of all classes of stock.

III. Participation

3.01 Any officer who is either one of the key employees of the Company in a position to contribute materially to the continued growth and future financial success of the Company, or one who has made a significant contribution to the Company's operations, thereby meriting special recognition, shall be eligible to participate provided the following requirements are met:

- a. The officer is employed on a full-time basis by Century Telephone Enterprises, Inc., any Subsidiary thereof or any affiliate designated by the Company as a participating employer under this Plan;
- b. The officer is compensated for full-time employment by a regular salary;
- c. The coverage of the officer is duly approved by the Board of Directors of Century Telephone Enterprises, Inc.

It is intended that participation in this Plan shall be extended only to those officers who are members of a select group of management and highly compensated employees, as determined by the Committee.

IV. Accounts and Investments

4.01 An Account shall be established on behalf of each Participant who receives an allocation of Phantom Stock Units pursuant to Article V hereof. Each Participant's Account shall be credited with such allocation, and shall be debited with any expenses properly chargeable thereto. Any cash dividends paid on the Common Stock will be deemed to be paid on the Phantom Stock Units and will be deemed to be invested in additional Phantom Stock Units.

4.02 Each Participant shall be furnished with a statement of his Account, in such form as the Committee shall determine, within a reasonable period of time after the end of each year.

4.03 Notwithstanding anything to the contrary in this Plan, upon the occurrence of any of the events described in Section 6.01(d)(a) ("Change in Control"), each Phantom Stock Unit shall be automatically converted into cash in an amount equal to the fair market value of each such unit. For purposes of this Section, the fair market value of each Phantom Stock Unit shall be determined by whichever of the following items is applicable: (i) the fair market value of the cash, securities or other properties into which each share of Common Stock will be converted pursuant to any merger, consolidation, share exchange, asset sale or other reorganization that results in a Change in Control, determined as of the date of the definitive agreement providing for such transaction, (ii) the price per share of Common Stock offered to shareholders of Century in any tender offer or exchange offer that results in a Change in Control, determined on the date the offer is commenced, or (iii) in all other events, the fair market value per share of Common Stock as determined, as of the close of business on the day immediately preceding the occurrence of the Change in Control, by the Committee (which shall remain empowered to make all determinations contemplated by this Section notwithstanding any removal or attempted removal of some or all of the members thereof as directors or committee members). In the event that the consideration offered to shareholders of Century in any transaction described herein consists of anything other than cash, the Committee shall determine the fair market value of the portion of the consideration offered which is other than cash as of the date indicated above (but without giving effect to any decrease in the value of any securities that comprise some or all of the consideration payable in connection with such transaction).

V. Allocations to Accounts

5.01 For each calendar year in which this Plan is in effect, each Participant's Account shall be credited with that number of Phantom Stock Units equal in value to that number of shares of Common Stock that could be purchased with an amount determined according to the following formula:

- (a) Compensation, times
- (b) Plan Contribution Percentage, less
- (c) Plan Contributions.

For purposes of this Section 5.01 the Common Stock shall be valued at the closing price of the Common Stock on the New York Stock Exchange on the trading day immediately preceding the date specified in Section 5.02.

5.02 The amount determined under Section 5.01 shall be credited to a Participant's account as of the later of the date on which the credit to the Participant's Account for the year under Section 5.01 is determined, or the date on which an amount representing such credit is contributed under the Plan, and shall be considered a part of the Participant's Account Balance as of such date.

VI. Vesting of Account

6.01 A Participant's Account shall be fully vested upon:

- (a) attainment of age 55.
- (b) death.
- (c) disability as defined in Section 2.07.
- (d) the occurrence of any of the following: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the Surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company.

6.02 If a Participant terminates service for reasons other than as listed in Section 6.01(a), (b), or (c), his Account Balance shall be vested in accordance with the following schedule:

Years of Service	Vested %
less than 5	0%
5 or more	100%

VII. Years of Service

7.01 A Participant will receive credit for a year of service for each calendar year in which he completes at least one thousand (1000) hours of service. Years of service will include all years of service prior to becoming an officer of the Company, years of service following Normal Retirement Date, and years of service with any Subsidiary or any affiliate designated by the Company as a participating employer under this Plan.. In addition, periods of Leave of Absence and periods during which severance pay is provided shall be counted for determining years of service.

VIII. Time of Payment and Beneficiaries

8.01 Except as provided in Section 8.02, a Participant's vested Account Balance is payable upon termination of employment.

8.02 Payment of the Account Balance of a deceased Participant shall commence within ninety (90) days of his death, and shall be made to his beneficiary designated on a form provided for such purpose by the Plan Administrator. If the Participant fails to designate a beneficiary, his

Account Balance shall be payable to his surviving spouse or, if none, to his surviving child or children (or legal representative of any minor child or child who has been declared incompetent or incapable of handling his affairs) in equal shares. The Account Balance of a Participant who dies leaving no spouse or children shall be paid to his estate.

IX. Form of Benefit Payment

9.01 The normal form of payment of a Participant's Account Balance is a lump sum cash payment.

9.02 A Participant may, prior to termination of employment, elect to receive payment of his Account Balance in monthly, quarterly, or annual cash installments of approximately equal amounts, over a period not to exceed ten (10) years.

X. Additional Restrictions on Benefit Payments

10.01 In no event will there be a duplication of benefits payable under the Plan because of employment by more than one participating Employer.

XI. Administration and Interpretation

11.01 The Plan shall be administered by the Board of Directors through a Committee which shall consist of three or more members of the Board of Directors of the Company. No individual who is or has ever been a member of the Committee shall be eligible to be designated as a participant or receive payments under this Plan. The Committee shall have full power and authority to interpret and administer the Plan and, subject to the provisions herein set forth, to prescribe, amend and rescind rules and regulations and make all other determinations necessary or desirable for the administration of the 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 employee 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. Nature of the Plan

12.01 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 the 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.

XIII. Employment Relationship

13.01 An employee shall be considered to be in the employment of the Company and its subsidiaries as long as he remains an employee of either the Company, any Subsidiary of the Company, or any corporation to which substantially all of the assets and business of the Company are transferred. Nothing in the adoption of this Plan nor the designation of any Participant shall confer on any employee the right to continued employment by the Company or a Subsidiary of the Company, or affect in any way the right of the Company or such Subsidiary to terminate his employment at any time. Any question as to whether and when there has been a termination of an employee's employment, and the cause, notice or other circumstances of such termination, shall be determined by the Board, and its determination shall be final.

XIV. Amendment and Termination of Plan

14.01 The Board of Directors of the Company in its sole discretion may terminate the Plan at any time and shall have the right to alter or amend the Plan or any part thereof from time to time, except that the Board of Directors shall not terminate the Plan or make any alteration or amendment thereto which would impair any rights or benefits of a Participant previously accrued.

XV. Binding Effect

15.01 This Plan shall be binding on the Company, each Subsidiary and any affiliate designated by the Company as a participating employer under this Plan, the successors and assigns thereof, and any entity to which substantially all of the assets or business of the Company, a Subsidiary, or a participating affiliate are transferred.

XVI. Reimbursement of Participants

16.01 The Company shall reimburse any Participant, or beneficiary thereof, for all expenses, including attorney's fees, actually and reasonably incurred by the Participant or beneficiary in any proceeding to enforce any of their rights under this Plan.

XVII. Construction

17.01 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. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall, unless otherwise specifically stated, mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from, the terms of the Plan.

IN WITNESS WHEREOF, Century Telephone Enterprises, Inc. has executed this restated Plan in its corporate name and its corporate seal to be hereunto affixed this 26 day of January, 1996.

ATTEST:

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

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

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

Exhibit 10.1 (t)
CENTURY TELEPHONE ENTERPRISES, INC.
OUTSIDE DIRECTORS' RETIREMENT PLAN
1995 RESTATEMENT

I. Purpose of the Plan

This Restated Outside Directors' Retirement Plan (the "Plan") is an unfunded defined benefit pension plan for those Outside Directors whose coverage is approved by the Board of Directors (the "Board"). The Plan has been established by Century Telephone Enterprises, Inc. (the "Company") for the purpose of attracting and retaining competent individuals to serve as Directors in order to ensure the continued growth and profitability of the Company by providing retirement benefits for eligible Board members.

II. Definitions

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

- 2.01. "ACCRUED BENEFIT" shall mean a Participant's accrued monthly benefit calculated in accordance with the provisions of Section 5.04.
- 2.02 "ACTUARIAL EQUIVALENT" shall mean equivalence in value between two or more methods of payment based on the UP 84 Mortality Table and the Pension Benefit Guaranty Corporation's published interest rate for immediate annuities on the date of pension commencement.
- 2.03 "BENEFICIARY" shall mean the person or persons last designated as such by a Participant or a Former Participant.
- 2.04 "BENEFIT" shall mean the monthly benefit payable to a Participant or Former Participant in accordance with the provisions of Sections V and VI.
- 2.05 "BENEFIT COMMENCEMENT DATE" shall mean the date on which Benefits under this Plan commence to be paid to a Participant or Former Participant.
- 2.06 "BOARD OF DIRECTORS" or "BOARD" shall mean the Board of Directors of Century Telephone Enterprises, Inc.
- 2.07 "COMMITTEE" shall mean three or more members of the Board of Directors who are not Outside Directors, as selected by the Board from time to time to administer this Plan.
- 2.08 "COMPANY" shall mean Century Telephone Enterprises, Inc. and any predecessor or business entity designated by the Board.
- 2.09 "COMPENSATION" shall mean moneys designated as Director's fees which are paid to the Participant as an annual retainer, whether paid currently, accrued or deferred for the Plan Year. In addition, fees paid for attending one special meeting of the Board shall also be included in the Compensation.
- 2.10 "EARLY RETIREMENT" shall mean a Participant's or Former Participant's termination of his Outside Director's status with the Board on or after his Early Retirement Date and prior to his Normal Retirement Date.
- 2.11 "EARLY RETIREMENT DATE" shall mean the first day of the month coinciding with or otherwise next following the date on which a Participant attains the later of the age of 65 or completion of 10 Years of Service.
- 2.12 "EFFECTIVE DATE" of this Restatement shall mean November 16, 1995.
- 2.13 "FORMER PARTICIPANT" shall mean a former Participant who has ceased to participate in the Plan but who has a Vested Benefit.
- 2.14 "NORMAL FORM OF BENEFIT" shall have the meaning set forth in Section 5.05.
- 2.15 "NORMAL RETIREMENT" shall mean a Participant's or Former Participant's termination of Outside Director's status with the Board on his Normal Retirement Date.
- 2.16 "NORMAL RETIREMENT DATE" shall mean the first day of the month coinciding with or otherwise next following the date on which a Participant attains the age of 70. Normal Retirement Date of Participants who are past age 70 as of the Effective Date of this Plan shall be the first day of the month coinciding with or otherwise next following the date on which the Participant resigns as an Outside Director.
- 2.17 "OUTSIDE DIRECTOR" shall mean any Director of the Company who is not an employee of the Company.

2.18 "PARTICIPANT" shall mean any Outside Director who is granted participation in the Plan in accordance with the provision of Section III.

2.19 "YEARS OF BENEFIT ACCRUAL SERVICE" shall mean the period of continuous service as an Outside Director with the Company, beginning on the date the Participant commences or resumes service or any anniversary of such date.

2.20 "YEARS OF SERVICE" shall mean the period of continuous service as an Outside or Inside Director with the Company, beginning on the date the Participant commences or resumes service or any anniversary of such date.

III. Eligibility and Participation

Only Outside Directors on or after the Effective Date of this Plan shall be eligible to participate in the Plan.

IV. Accrual of Liabilities

4.01 The Board shall accrue liabilities on its books each year equal to the annual amount required to provide the retirement benefits contingently payable under the Plan, according to accepted actuarial methods using such assumptions as the Board from time to time may adopt, provided, however, that the Board shall accrue such liabilities only in amounts not prohibited by law. Retirement benefits defined in Section V shall be reduced to the extent the Board is prohibited by law from accruing such liabilities.

4.02 Neither a Participant nor his Beneficiary shall have any interest in any sums accrued in recognition of the contingent liability attributable to this Plan, and such accruals shall at all times remain the assets of the Company subject to the claims of general creditors of the Company.

V. Retirement Benefit

5.01 A Participant or Former Participant shall be entitled to receive a Benefit under the Plan, in accordance with the provisions of this Section V.

5.02 Any Participant who retires on his Normal Retirement Date shall be entitled to receive a monthly benefit in the Normal Form of Benefit, commencing on his Normal Retirement Date, equal to 100% of his Compensation divided by 12.

5.03 Any Participant may elect to retire on or after his early Retirement Date and receive a benefit equal to his Accrued Benefit reduced by 2% for each year by which the Benefit Commencement Date precedes the Participant's Normal Retirement Date. Payment of such benefit shall commence on the first of the month coinciding with or next following his termination of Outside Director's status with the Board.

5.04 A participant's Accrued Benefit under the Plan shall be determined in accordance with the following schedule based on his Years of Benefit Accrual Service on the date he terminates his status as an Outside Director:

Years of Benefit Accrual Service	Percent of Compensation
-----	-----
Less than 1	0%
1	10%
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

5.05 The normal form of benefit payment for a Participant or Former Participant shall be a life annuity unless such Participant or Former Participant elects, prior to commencement of participation in the Plan, one of the optional benefit forms set forth in Section 5.06.

5.06 Upon the written election of a Participant or Former Participant made prior to his commencement of participation in the Plan, the Actuarial Equivalent of the retirement benefit to which such Participant or Former Participant would otherwise be entitled under the provisions of Section 5.05 above shall, subject to the approval of the Committee, be payable under any optional methods of payment which are offered by the Board, including a 50% joint and survivor annuity, or a 100% joint and survivor annuity. Notwithstanding the foregoing, no optional payment form will be offered which would accelerate benefits hereunder and no lump sum payment will be made to a Participant.

5.07 Upon termination of participation by resignation or discharge other than by death, disability or retirement, the Participant shall be entitled to a vested percentage of his then Accrued Benefit, payable beginning on or after his Early Retirement Date, in accordance with the vesting schedule provided in Section VI. The vested Accrued Benefit amount shall be reduced 2% for each year the Benefit Commencement Date

precedes Normal Retirement Date.

5.08 Upon total and permanent disability determined upon the basis of competent medical evidence acceptable to a majority of the Board, the Participant shall be entitled to a monthly disability benefit commencing on the first of the month coinciding with or next following his disability equal to 100% of his Compensation as of date of disability divided by 12.

5.09 Upon the death of the Participant, the designated Beneficiary shall be entitled to a death benefit, commencing on the first of the month coinciding with or next following the Participant's death, equal to the value of the liabilities that have been accrued by the Board on its books for the Participant in accordance with Section 401 as of the day immediately prior to his death. The Death Benefit will be payable in the form of a lump sum.

5.10 The Beneficiary referred to in this Section may be designated or changed by the Participant (without the consent of any prior Beneficiary) on a form provided by the Committee and delivered to the Committee prior to his death. If no such Beneficiary shall have been designated, or if no designated Beneficiary shall survive the Participant, the benefits shall be payable to the Participant's estate.

5.11 (a) Notwithstanding anything to the contrary in this Plan or in any applicable law or regulation, upon the earlier of (i) the occurrence of a Change in Control (as defined in paragraph (e) below), (ii) the date that any person or entity submits an offer or proposal to the Company that results in or leads to a Change in Control (whether by such person or any other person) or (iii) the date of the public announcement of a Change in Control or an offer, proposal or proxy solicitation that results in or leads to a Change in Control

(whether by the person or entity making such announcement or any other person) (the earliest of such dates being hereinafter referred to as the "Effective Date"), the Accrued Benefit of each Participant (other than any Participant whose service as an Outside Director was terminated prior to full vesting of his Accrued Benefit under Article VI) and the benefits conferred under this Section shall automatically vest and thereafter may not be adversely affected in any matter without the prior written consent of the Participant. Notwithstanding anything to the contrary in this Plan, upon the occurrence of a Change in Control any Participant who is then serving as an Outside Director ("Active Participants") shall have an irrevocable right to receive, and the Company shall be irrevocably obligated to pay, a lump sum cash payment in an amount determined pursuant to this Section if the Company or its successor, in connection with or following the occurrence of the Change in Control, (i) seeks and obtains the Participant's resignation as an Outside Director, (ii) removes the Participant as an Outside Director, (iii) fails to nominate the Participant for re-election at the end of his term or (iv) reduces either the annual fee paid to the Participant for service as an Outside Director or the fee payable with respect to each Board or Committee meeting attended that, in either case, were in effect immediately prior to the Effective Date (each such action being referred to as an "Effective Termination"). The lump sum cash payment payable to Active Participants under this Section (the "Lump Sum Payment") shall be paid on the date of Effective Termination or as soon thereafter as is administratively feasible.

(b) The amount of each Lump Sum Payment shall be determined as follows:

(i) With respect to any Active Participant who is eligible as of the date of Effective Termination to receive benefits under Section 5.02 of this Plan, the Lump Sum Payment shall equal the Present Value (as defined below) of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Section 5.02 of this Plan (assuming such benefits are paid in the form of a lifetime annuity), based upon such participant's Compensation (without giving effect to any salary reductions that gave rise to such Effective Termination), Accrued Benefit, and Years of Benefit Accrual Service, in each case as of the date of Effective Termination.

(ii) With respect to any Active Participant who is not eligible as of the date of Effective Termination to receive benefits under Sections 5.02 or 5.03 of this Plan, the Lump Sum Payment shall equal the product of (A) the Present Value, calculated as of age 70, of the stream of payments to which such participant would have otherwise been entitled to receive at age 70 in accordance with the terms of this Plan based on the same assumptions and terms set forth in subsection (b)(i) above, multiplied times (B) such discount factor as is necessary to reduce the amount determined under subsection

(b)(ii)(A) above to its Present Value, it being understood that in calculating such discount factor, no discount shall be applied to reflect the possibility that such participant may die prior to attaining age 70.

(iii) With respect to any Active Participant who is eligible as of the date of Effective Termination to receive benefits under Article 5.03 of the Plan, the Lump Sum Payment shall equal the greater of (A) the Present Value of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Section 5.03 of this Plan, based upon the assumptions and terms set forth in subsection (b)(i) above, or (B) the Present Value, calculated as of age 70, of the stream of payments to which such participant would otherwise be entitled to receive at age 70 in accordance with this Plan, determined in the same manner and subject to the same assumptions and terms set forth in subsection (b)(ii) above.

(iv) As used in this Section with respect to any amount, the "Present Value" of such amount shall mean the discounted value of such amount that is determined by making customary present value calculations in accordance with generally accepted actuarial principles, provided that (A) the discount interest rate applied in connection therewith shall equal the interest rate quoted by the Bloomberg Municipal AAA General Obligation 5-Year Index (as of the close of business on the first business day of the calendar quarter in which such present value calculations are made) or, in the event such index is no longer published, any similar index for comparable municipal securities and (B) the mortality tables applied in connection therewith shall be "1983 Group Annuity Mortality Table (50% male/50% female)" as prescribed by the Pension Benefit Guaranty Corporation or any successor table prescribed by such organization.

(c) Notwithstanding anything to the contrary in this Plan, upon the sooner of the occurrence of a Change in Control or the approval by the Board of Directors of the Company of any Change in Control, the Company shall promptly consult with each Participant who has already begun to receive periodic payments under this Plan ("Retired Participants") and, following such consultations, the Company shall have the option with respect to each Retired Participant to (i) confirm in writing its obligation to continue to provide to such Retired Participant all benefits hereunder in the same manner provided prior to the Change in Control or (ii) make a lump sum cash payment in an amount equal to the Present Value of the participant's future stream of payments which would otherwise be payable under this Plan. If the Company elects to furnish any retired Participant with a lump sum cash payment, the Company shall offer to assist such participant in purchasing at such participant's cost an annuity for the benefit of such participant.

(d) Notwithstanding anything to the contrary in this Plan, upon the occurrence of a Change in Control, any Former Participant (other than a Retired Participant) shall have an irrevocable and unconditional right to receive, and the Company shall be irrevocably and unconditionally obligated to pay, a lump sum payment in an amount determined in the manner provided in subsection (b)(ii) or (iii), as applicable.

(e) For purposes hereof, Change of Control shall mean the occurrence of any of the following events: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the Surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company.

VI. Vesting

Participants shall vest in their Accrued Benefit in accordance with the following schedule:

Years of Service	Vesting Percentage
-----	-----
Less than five years	0%
Five years or more	100%

VII. Administration of the Plan

The Committee shall have full power and authority to interpret, construe, and administer this agreement and the Committee's interpretations and construction thereof, and action hereunder, including any valuation of the retirement benefits, or the amount or recipient of the payment to be made therefrom shall be binding and conclusive on all persons for all purposes. The Committee shall not be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan unless attributable to willful misconduct or lack of good faith.

VIII. Amendment or Discontinuance

The Board expects to continue the Plan indefinitely, but the Board may amend or discontinue the Plan at any time. Any such amendment or discontinuance shall not operate to deprive a Participant of any Accrued Benefit earned prior to the execution date of such amendment or discontinuance.

IX. No Assignment

The right of the Participant or any other person to the payment of any benefit under this Plan shall not be assigned, transferred, pledged, or encumbered except by will or by the laws of descent and distribution.

X. Nature of the Plan

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 of the other employee benefit programs of the Company; (ii) be paid from said trust; 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 the Century

Telephone Enterprises, Inc. Outside Directors' Retirement Trust (the "Trust") established by the Company for the purpose of funding the Company's obligations under the plan. Participants and their beneficiaries, however, have no secured interest or special claim to the assets of the 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.

XI. Validity

If any provision of the Plan is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall continue in full force and effect. The provisions of the Plan shall be construed, administered and enforced according to the laws of the State of Louisiana.

XII. Use

Whenever the masculine gender is used herein, it shall include the feminine, and whenever the singular form is used, it shall include the plural, each as may be appropriate in the context used.

XIII. Headings

Article and paragraph headings used herein are for convenience of reference only and shall not affect the interpretation of the Plan.

IN WITNESS WHEREOF, Century Telephone Enterprises, Inc. has executed this restated Plan in its corporate name and its corporate seal to be hereunto affixed this 26 day of January, 1996.

ATTEST: CENTURY TELEPHONE ENTERPRISES, INC.

<i>/s/ Sandra B. Post</i>	<i>By: /s/ R. Stewart Ewing, Jr.</i>
<i>- - - - -</i>	<i>- - - - -</i>
	<i>R. Stewart Ewing, Jr.</i>
	<i>Senior Vice President and</i>
	<i>Chief Financial Officer</i>

Exhibit 10.1 (u)

**CENTURY TELEPHONE ENTERPRISES, INC.
DEFERRED COMPENSATION PLAN
FOR OUTSIDE DIRECTORS
1995 RESTATEMENT**

**I.
PURPOSE OF THE PLAN**

1.01 This Restated 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) "CHANGE IN CONTROL" shall mean the occurrence of any of the following: (i) the acquisition by any "person" (as such term is used in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act")), other than the Company or any employee benefit plan or related trust or affiliate of the Company or its subsidiaries, of beneficial ownership (as defined in Rule 13d-3 promulgated under the Exchange 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, but not including any acquisition directly from the Company; (ii) the consummation of a merger, consolidation, reorganization, share exchange, or sale or other disposition of all or substantially all of the assets of the Company unless, immediately thereafter, at least 50% of the outstanding voting power of the surviving or successor corporation, or, if applicable, the parent company thereof (the "Surviving Company"), are owned by the Company's shareholders immediately prior to such time, at least a majority of the directors of the Surviving Company were directors of the Company at the time such transaction was approved, and no person or entity (excluding any employee benefit plan or related trust of the Company or the surviving Company and any person or entity that was a shareholder of the Company immediately prior to such time) beneficially owns 20% or more of the outstanding voting power of the Surviving Company; (iii) during any period of two consecutive years, individuals who at the beginning of such period constitute the Board of Directors of the Company cease 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; or (iv) the approval by the Company's shareholders of a complete liquidation or dissolution of the Company.

(e) "COMMITTEE" shall mean the persons appointed to administer this Plan pursuant to Article XI hereof.

(f) "COMPANY" shall mean Century Telephone Enterprises, Inc.

(g) "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.

(h) "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.

(i) "EFFECTIVE DATE" of this Plan shall mean May 23, 1995. The effective date of this Restatement is November 16, 1995.

(j) "PARTICIPANT" shall mean any director of the Company who is not an employee of the Company.

(k) "PLAN" shall mean the Century Telephone Enterprises, Inc. Deferred Compensation Plan for Outside Directors.

(l) "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.

(d) Notwithstanding anything to the contrary in this Plan or in any Director Deferral Agreement entered into hereunder, upon the occurrence of a Change in Control the Participant shall have an irrevocable right to receive, and the Company shall be irrevocably obligated to distribute, the Participant's Account Balance in full if the Company or its successor, in connection with or following the occurrence of the Change in Control, (i) seeks and obtains the Participant's resignation as a director of the Company ("Director"), (ii) removes the Participant as a Director, (iii) fails to nominate the Participant for re-election as a Director at the end of his term or (iv) reduces either the annual fee paid to the Participant for service as a Director or the fee payable with respect to each Board or Committee meeting attended. If the Participant continues to serve after the Change in Control as an outside director of the Company, its successor or any affiliate thereof without any fee reductions, the Company or its successor shall promptly consult with each Participant and, following such consultations, the Company or its successor shall have the option with respect to each Participant to (i) confirm in writing its obligations under this Plan or (ii) distribute promptly the Participant's Account Balance in full.

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, Century Telephone Enterprises, Inc. has executed this restated Plan in its corporate name and its corporate seal to be hereunto affixed this 26 day of January, 1996.

ATTEST:

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

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

Exhibit 10.2(a)
AMENDMENT NO. 1

to
EMPLOYMENT AGREEMENT

Amendment No. 1, dated as of February 27, 1996, to the Employment Agreement dated as of May 24, 1993 (the "Employment Agreement"), between Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company"), and Clarke M. Williams ("Executive").

WITNESSETH:

WHEREAS, the Employment Agreement provides Executive with various benefits if the Company terminates Executive without cause or if Executive resigns under certain specified circumstances, including the right, under certain circumstances following a Change in Control of the Company (as defined therein), to receive such additional cash payments as may be necessary to compensate Executive for any federal excise taxes imposed under Section 4999 of the Internal Revenue Code of 1986, as amended ("Gross-Up Payments");

WHEREAS, subsequent to the date of the Employment Agreement other officers of the Company have been granted contractual rights to receive Gross-Up Payments pursuant to certain severance agreements (the "Severance Agreements")

WHEREAS, the Company believes that the contractual rights to receive Gross-Up Payments afforded to the Company's other officers under the Severance Agreements are more comprehensive and better advance the objectives of such provisions than those contractual rights currently provided to Executive under the Employment Agreement; and

WHEREAS, the Company believes it is necessary and appropriate, and in the Company's best interests, to provide Executive with the right to receive Gross-up Payments identical to those held by the Company's other officers;

NOW, THEREFORE, the parties agree as follows:

1. Effective as of the date hereof, Section 5.05 of the Employment Agreement is hereby amended in its entirety to read as follows:

5.05 Change in Control. If, following a Change in Control of the Company, the Company terminates Executive's employment, other than for death, disability or Cause, or Executive terminates his employment (whether or not for Good Reason), the Company shall, contemporaneously with any payments due under Section 5.04 and in addition to any other amounts due, 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 Internal Revenue Code of 1986, as amended (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 (as defined below) 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 of the Company 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 not 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. For purposes hereof, "Auditors" shall mean the Company's regular independent auditors as of the earlier of (i) the day of the public announcement of a Change in Control of the Company or a proposal that results in a Change in Control of the Company or (ii) the date that the Board enters into negotiations with any person or entity, which negotiations result in a Change in Control of the Company.

2. Notwithstanding any differences between Section 1.6 of the Severance Agreements and Section 4.04(c) of the Employment Agreement, any event that constitutes a "Change in Control" under the Severance Agreements shall be deemed to also constitute a "Change in Control of the Company" under the Employment Agreement.

3. The Employment Agreement, as amended by Sections 1 and 2 hereof, is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects.

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

CENTURY TELEPHONE ENTERPRISES, INC.

By: /s/ Glen F. Post, III

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

EXECUTIVE:

/s/ Clarke M. Williams

Clarke M. Williams

Exhibit 10.2(b)

FORM OF AMENDED AND RESTATED SEVERANCE AGREEMENT
(for Executive Officers)

SEVERANCE AGREEMENT, dated as of _____, as amended and restated as of May 23, 1995, and as further amended and restated as of November 16, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company"), and _____ ("Executive").

WITNESSETH:

WHEREAS, as of _____ 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");

WHEREAS, the Company and Executive amended and restated the Original Agreement as of May 23, 1995 to effect various modifications approved by the Compensation Committee of the Company's Board of Directors (the "Compensation Committee") on May 22, 1995 and ratified by the full Board on May 23, 1995; and

WHEREAS, the Company and Executive wish to further modify the Original Agreement (as amended and restated as of May 23, 1995) to completely amend and restate Section 3.2 thereof, as approved by the Compensation Committee on November 16, 1995 and ratified by the full Board as of the same date;

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties contained herein, and intending to be legally bound hereby, the parties agree that the Original Agreement (as amended and restated as of May 23, 1995) 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. If during the period beginning on the Announcement Date and ending three years following the effective date of a Change of 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, the Company shall, at its cost, continue for three years following such termination date health, dental and life insurance benefits to Executive and his family at least equal to those generally applicable to other peer executives of the Company and its affiliated companies (to the same extent as if Executive had continued to serve in such capacity), but in no event shall such benefits be less favorable than those in effect for Executive immediately prior to the Announcement Date; provided, however, that if Executive becomes reemployed with another employer and becomes eligible to receive comparable benefits under another employer-provided plan, the benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. In the event that Executive's participation in any such insurance plan, program or arrangement is barred, or any such plan, program or arrangement is discontinued or the benefits thereunder materially reduced, the Company shall arrange to provide Executive with benefits substantially similar to those which Executive would otherwise be entitled to receive hereunder. At the end of the period of coverage hereinabove provided for, Executive shall have the option to have assigned to him, at no cost and with no apportionment of prepaid premiums, any assignable insurance owned by the Company that relates specifically to Executive. All medical and dental continuation coverage provided under this section shall run concurrently with COBRA coverage under Section 4980B(f) of the Internal Revenue Code of 1986.

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.

[SIGNATURE LINES INTENTIONALLY DELETED]

Exhibit 10.2(c)

FORM OF AMENDED AND RESTATED SEVERANCE AGREEMENT
(for Non-Executive Officers)

SEVERANCE AGREEMENT, dated as of May 23, 1995, as amended and restated as of November 16, 1995, by and between Century Telephone Enterprises, Inc., a Louisiana corporation (the "Company"), and _____ ("Officer").

WITNESSETH:

WHEREAS, as of May 23, 1995, the Company and Officer 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 Officer wish to modify the Original Agreement to completely amend and restate Section 3.2 thereof, as approved by the Compensation Committee of the Company's Board of Directors on November 16, 1995 and ratified by the full Board as of the same date;

NOW, THEREFORE, in consideration of the respective covenants and agreements of the parties contained 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 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. If during the period beginning on the Announcement Date and ending eighteen months following the effective date of a Change of 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, the Company shall, at its cost, continue for eighteen months following such termination date health, dental and life insurance benefits to Officer and his family at least equal

to those generally applicable to other peer Officers of the Company and its affiliated companies (to the same extent as if Officer had continued to serve in such capacity), but in no event shall such benefits be less favorable than those in effect for Officer immediately prior to the Announcement Date; provided, however, that if Officer becomes reemployed with another employer and becomes eligible to receive comparable benefits under another employer-provided plan, the benefits described herein shall be secondary to those provided under such other plan during such applicable period of eligibility. In the event that Officer's participation in any such insurance plan, program or arrangement is barred, or any such plan, program or arrangement is discontinued or the benefits thereunder materially reduced, the Company shall arrange to provide Officer with benefits substantially similar to those which Officer would otherwise be entitled to receive hereunder. At the end of the period of coverage hereinabove provided for, Officer shall have the option to have assigned to him, at no cost and with no apportionment of prepaid premiums, any assignable insurance owned by the Company that relates specifically to Officer. All medical and dental continuation coverage provided under this section shall run concurrently with COBRA coverage under Section 4980B(f) of the Internal Revenue Code of 1986.

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, devisees 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.

[SIGNATURE LINES INTENTIONALLY DELETED]

EXHIBIT 11
CENTURY TELEPHONE ENTERPRISES, INC.

COMPUTATIONS OF EARNINGS PER SHARE

	Year ended December 31,		
	1995	1994	1993
	(Dollars, except per share amounts, and shares expressed in thousands)		
Net income	\$ 114,776	100,238	69,004
Dividends applicable to preferred stock	(115)	(93)	(24)
Net income applicable to common stock	114,661	100,145	68,980
Dividends applicable to preferred stock	115	93	24
Interest on convertible securities, net of taxes	714	4,595	4,583
Net income as adjusted for purposes of computing fully diluted earnings per share	\$ 115,490	104,833	73,587
Weighted average number of shares:			
Outstanding during period	58,000	53,139	50,512
Common stock equivalent shares	509	580	694
Employee Stock Ownership Plan shares not committed to be released	(373)	(300)	-
Number of shares for computing primary earnings per share	58,136	53,419	51,206
Incremental common shares attributable to additional dilutive effect of convertible securities	971	4,716	4,686
Number of shares as adjusted for purposes of computing fully diluted earnings per share	59,107	58,135	55,892
Earnings per average common share	\$ 1.98	1.88	1.37
Primary earnings per share	\$ 1.97	1.88	1.35
Fully diluted earnings per share	\$ 1.95	1.80	1.32

EXHIBIT 21
CENTURY TELEPHONE ENTERPRISES, INC.
SUBSIDIARIES OF THE REGISTRANT
AS OF DECEMBER 31, 1995

Subsidiary	State of incorporation

Brownsville Cellular Telephone Co., Inc. *	Delaware
Celutel, Inc.	Delaware
Celutel of Biloxi, Inc. *	Delaware
Central Indiana Telephone Company, Inc.	Indiana
Century Area Long Lines (CALL), Inc.	Wisconsin
Century Business Communications, Inc.	Louisiana
Century Cellunet, Inc.	Louisiana
Century Cellunet of Alexandria, Inc.	Louisiana
Century Cellunet of LaCrosse, Inc.	Louisiana
Century Cellunet of Michigan RSA #4, Inc.	Louisiana
Century Cellunet of Michigan RSAs, Inc.	Louisiana
Century Cellunet of Mississippi RSA #2, Inc.	Mississippi
Century Cellunet of Mississippi RSA #6, Inc.	Mississippi
Century Cellunet of North Arkansas, Inc.	Louisiana
Century Cellunet of North Louisiana, Inc.	Louisiana
Century Cellunet of Pine Bluff, Inc.	Arkansas
Century Cellunet of Saginaw, Inc.	Louisiana
Century Cellunet of Shreveport, Inc.	Louisiana
Century Cellunet of South Arkansas, Inc.	Louisiana
Century Cellunet of Southern Michigan, Inc.	Delaware
Century Cellunet of Texarkana, Inc.	Louisiana
Century Investments, Inc.	Louisiana
Century Paging, Inc.	Louisiana
Century Service Group, Inc.	Louisiana
Century Supply Group, Inc.	Louisiana
Century Telecommunications, Inc.	Texas
Century Telelink, Inc.	Louisiana
Century Telephone Midwest, Inc.	Michigan
Century Telephone of Adamsville, Inc.	Tennessee
Century Telephone of Arkansas, Inc.	Arkansas
Century Telephone of Central Louisiana, Inc.	Louisiana
Century Telephone of Chatham, Inc.	Louisiana
Century Telephone of Chester, Inc.	Iowa
Century Telephone of Claiborne, Inc.	Tennessee
Century Telephone of East Louisiana, Inc.	Louisiana
Century Telephone of Evangeline, Inc.	Louisiana
Century Telephone of Idaho, Inc.	Delaware
Century Telephone of Lake Dallas, Inc.	Texas
Century Telephone of Larsen-Readfield, Inc.	Wisconsin
Century Telephone of Michigan, Inc.	Michigan
Century Telephone of Monroe County, Inc.	Wisconsin
Century Telephone of Mountain Home, Inc.	Arkansas
Century Telephone of North Louisiana, Inc.	Louisiana
Century Telephone of North Mississippi, Inc.	Mississippi
Century Telephone of Northern Michigan, Inc.	Michigan
Century Telephone of Northern Wisconsin, Inc.	Wisconsin
Century Telephone of Northwest Louisiana, Inc.	Louisiana
Century Telephone of Northwest Wisconsin, Inc.	Wisconsin
Century Telephone of Ohio, Inc.	Ohio
Century Telephone of Ooltewah-Collegedale, Inc.	Tennessee
Century Telephone of Port Aransas, Inc.	Texas
Century Telephone of Redfield, Inc.	Arkansas
Century Telephone of San Marcos, Inc.	Texas
Century Telephone of South Arkansas, Inc.	Arkansas
Century Telephone of Southeast Louisiana, Inc.	Louisiana
Century Telephone of Southwest Louisiana, Inc.	Louisiana
Century Telephone of Wisconsin, Inc.	Wisconsin
Forestville Telephone Company, Inc.	Wisconsin
Interactive Communications, Inc.	Louisiana
Jackson Cellular Telephone Co., Inc. *	Delaware
The McAllen Cellular Telephone Co., Inc. *	Nevada
Metro Access Networks, Inc.	Delaware
Odon Telephone Co., Inc.	Indiana
Pascagoula Cellular Telephone Company, Inc. *	Delaware
Remote Access Cellular Telecommunications, Inc.	Texas
Tele-Max, Inc.	Texas
Universal Telephone, Inc.	Wisconsin
Universal Telephone Company of Colorado	Colorado
Universal Telephone Company of Southwest	New Mexico

* Conduct business in the name of Century Cellunet

Certain of the Company's smaller subsidiaries have been intentionally omitted from this exhibit pursuant to rules and regulations of the Securities

and Exchange Commission.

EXHIBIT 23

Independent Auditors' Consent

The Board of Directors
Century Telephone Enterprises, Inc.:

We consent to incorporation by reference in the Registration Statements (No. 33-17114 and No. 33-52915) on Form S-3, the Registration Statements (No. 33-5836, No. 33-17113, No. 33-46562, No. 33-48554 and No. 33-60061) on Form S-8, the Registration Statements (No. 33-31314 and No. 33-46473) on combined Form S-8 and Form S-3, and the Registration Statements (No. 33-39196, No. 33-48956, and No. 33-50791) on Form S-4 of Century Telephone Enterprises, Inc. of our report dated January 29, 1996, relating to the consolidated balance sheets of Century Telephone Enterprises, Inc. and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows and related financial statement schedules for each of the years in the three-year period ended December 31, 1995, which report appears in the December 31, 1995 annual report on Form 10-K of Century Telephone Enterprises, Inc.

/s/ KPMG Peat Marwick LLP

KPMG PEAT MARWICK LLP

*Shreveport, Louisiana
March 15, 1996*

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED CONSOLIDATED BALANCE SHEET OF CENTURY TELEPHONE ENTERPRISES, INC. & SUBSIDIARIES AS OF DECEMBER 31, 1995 & THE RELATED AUDITED CONSOLIDATED STATEMENTS OF INCOME, STOCKHOLDERS' EQUITY & CASH FLOWS FOR THE TWELVE MONTH PERIOD THEN ENDED & IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

CIK: 0000018926

NAME: CENTURY TELEPHONE ENTERPRISES, INC.

MULTIPLIER: 1,000

PERIOD TYPE	YEAR
FISCAL YEAR END	DEC 31 1995
PERIOD START	JAN 01 1995
PERIOD END	DEC 31 1995
CASH	8,540
SECURITIES	0
RECEIVABLES	53,711
ALLOWANCES	2,768
INVENTORY	6,608
CURRENT ASSETS	95,329
PP&E	1,499,554
DEPRECIATION	451,746
TOTAL ASSETS	1,862,421
CURRENT LIABILITIES	139,924
BONDS	622,904
PREFERRED MANDATORY	0
PREFERRED	2,262
COMMON	59,114
OTHER SE	827,048
TOTAL LIABILITY AND EQUITY	1,862,421
SALES	0
TOTAL REVENUES	644,840
CGS	0
TOTAL COSTS	441,921
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	43,615
INCOME PRETAX	183,068
INCOME TAX	68,292
INCOME CONTINUING	114,776
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	114,776
EPS PRIMARY	1.97
EPS DILUTED	1.95

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