

CENTURYTEL INC

FORM S-3

(Securities Registration Statement (simplified form))

Filed 10/10/2002

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
Telephone	318-388-9000
CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CenturyTel, Inc.

(Exact name of registrant as
specified in its charter)

Louisiana

(State or other jurisdiction of
incorporation or organization)

72-0651161

(I.R.S. Employer
Identification No.)

100 CenturyTel Drive
Monroe, Louisiana 71203
(318) 388-9000

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

Harvey P. Perry
Executive Vice President,
Chief Administrative Officer and General Counsel
CenturyTel, Inc.

100 CenturyTel Drive
Monroe, Louisiana 71203
(318) 388-9000

(Name, address, including zip code,
and telephone number, including
area code, of agent for service)

Copy to:

Kenneth J. Najder
Jones, Walker, Waechter, Poitevent, Carrère &
Denègre, L.L.P.
201 St. Charles Avenue, 51st Floor
New Orleans, Louisiana 70170-5100
(504) 582-8000

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:

As soon as practicable after the effective date of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. 9

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. :

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 9

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. 9

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. 9

CALCULATION OF REGISTRATION FEE

<u>Title of each class of securities to be registered</u>	<u>Amount to be registered</u>	<u>Proposed maximum offering price per security</u>	<u>Proposed maximum aggregate offering price</u>	<u>Amount of registration fee</u>
4.75% Convertible Senior Debentures, Series K, due 2032				
	\$165,000,000(1)	104.75%(2)(3)	\$172,837,500	\$15,902
Common Stock, par value \$1.00 per share(4)	4,078,602(5)	--	--	(6)

- (1) Represents the aggregate principal amount of debentures originally issued in August and September 2002.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act of 1993, as amended, based upon the average of the bid and ask prices for the debentures on the Portal Market on October 9, 2002 .
- (3) Exclusive of accrued interest.
- (4) Includes associated preference share purchase rights, which prior to the occurrence of certain events will not be exercisable or evidenced separate from our common stock.
- (5) Represents the number of shares of our common stock that are issuable upon conversion of the debentures registered hereby at the conversion price of \$40.455 per share. Pursuant to Rule 416 under the Securities Act, the number of shares of common stock registered hereby shall include an indeterminate number of shares of common stock that may be issued in connection with a stock split, stock dividend, recapitalization or similar event.
- (6) No separate consideration will be received for the shares of our common stock issuable upon conversion of the debentures and, therefore, no registration fee is required pursuant to Rule 457(i) under the Securities Act.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell the securities and we are not soliciting offers to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, Dated October 10, 2002

PROSPECTUS

\$165,000,000

[CenturyTel Inc.'s Logo Here]

4.75% Convertible Senior Debentures, Series K, due 2032 and Shares of Common Stock Issuable upon Conversion of the Debentures

We issued the debentures in a private placement in the third quarter of 2002 at an issue price of \$1,000 per debenture. Under this prospectus, the selling securityholders named herein or in any supplements hereto may offer and sell their debentures and the shares of common stock issuable upon conversion of their debentures.

The debentures will mature on August 1, 2032. We will pay interest at a rate of 4.75% per year on the principal amount of the debentures payable semi-annually in arrears on February 1 and August 1 of each year, beginning February 1, 2003. We may redeem for cash some or all of the debentures at any time on or after August 5, 2006 at redemption prices set forth under "Description of Debentures - Optional Redemption."

Holders may convert their debentures prior to maturity into 24,7188 shares of our common stock for each \$1,000 principal amount of debentures (equivalent to an initial conversion price of \$40.455 per share based on the principal amount of the debentures) under any of the circumstances set forth under "Description of Debentures —Conversion Rights." The conversion rate may be adjusted as described in this prospectus. Our common stock is listed on the New York Stock Exchange under the symbol "CTL." On October 8, 2002, the last reported sale price of our common stock was \$24.13.

We will pay contingent interest to the holders of debentures during any six-month period from August 1 to January 31 and from

February 1 to July 31, commencing with the six-month period beginning August 1, 2006, if the average price of a debenture for the period described herein equals 120% or more of the principal amount of such debentures. The amount of contingent interest payable per debenture in respect of any six-month period will equal the greater of (i) the cash dividends paid by us per share on our common stock during that six-month period multiplied by the number of shares of common stock issuable upon conversion of a debenture and (ii) .125% of the average price of a debenture for the related five trading day reference period. For a discussion of the special regulations governing contingent payment debt instruments, see “Certain United States Federal Income Tax Consequences.”

Holders have the right to require us to purchase all or a portion of the debentures on August 1, 2006, August 1, 2010 and August 1, 2017. In each case, the purchase price payable will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date. We will pay cash for all debentures so purchased on August 1, 2006. For any such purchases on or after August 1, 2010, we may choose to pay the purchase price in cash or shares of our common stock valued at their market price (as defined in this prospectus), or any combination thereof, except that we will pay any accrued and unpaid interest in cash.

If we undergo a change of control, holders may require us to purchase for cash all or a portion of their debentures at a purchase price equal to 100% of the principal amount of the debentures to be purchased plus accrued and unpaid interest to the purchase date.

The debentures are our senior unsecured obligations. The debentures rank senior to any of our future subordinated debt and equally in right of payment with all of our existing and future unsecured and unsubordinated debt.

Investing in our debentures or shares of our common stock involves risks. See “Risk Factors” beginning on page 9 of this prospectus.

We will not receive any of the proceeds from the sale by any of the selling securityholders of the debentures or the shares of our common stock. The debentures and the shares of our common stock may be offered in negotiated transactions or otherwise, at market prices prevailing at the time of sale or at negotiated prices. The timing and amount of any sale are within the sole discretion of the selling securityholders. In addition, our common stock may be offered from time to time through ordinary brokerage transactions on the New York Stock Exchange. See “Plan of Distribution.” The selling securityholders may be deemed to be “underwriters” as defined in the Securities Act of 1933. Any profits realized by the selling securityholders may be deemed to be underwriting commissions. If the selling securityholders use any broker-dealers, any commission paid to broker-dealers and, if broker-dealers purchase any debentures or shares of common stock as principals, any profits received by such broker-dealers on the resale of the debentures or shares of common stock may be deemed to be underwriting discounts or commissions under the Securities Act.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2002

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY CENTURYTEL. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF CENTURYTEL SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE SPECIFICALLY OFFERED HEREBY OR ANY SECURITIES IN ANY JURISDICTION WHERE, OR TO ANY PERSON TO WHOM, IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. YOU SHOULD ASSUME THAT THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IS ACCURATE ONLY AS OF THE DATE ON THE FRONT COVER OF THOSE DOCUMENTS.

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FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus that are not historical facts are intended to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond our control. Our actual results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to:

- our ability to effectively manage our growth, including integrating newly acquired properties into our operations, hiring adequate numbers of qualified staff and successfully upgrading our billing and other information systems
- the risks inherent in rapid technological change
- the effects of ongoing changes in the regulation of the communications industry, including the final outcome of pending regulatory and judicial proceedings affecting communication companies generally
- the effects of greater than anticipated competition in our markets
- possible changes in the demand for, or pricing of, our products and services, including lower than anticipated demand for our newly offered products and services
- our ability to successfully introduce new product or service offerings on a timely and cost-effective basis
- the direct and indirect effects on our business resulting from the financial difficulties of other communications companies, including the effect on our ability to collect receivables from financially troubled carriers and our ability to access the capital markets on favorable terms, and
- the effects of more general factors, such as changes in interest rates, in the capital markets, in general market or economic conditions or in legislation, regulation or public policy.

These factors, and others, are described in greater detail in Item 1 of our Annual Report on Form 10-K for the year ended December 31, 2001, which is incorporated by reference in this prospectus. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of the document in which they appear. Except for our obligations to disclose material information under the federal securities laws, we undertake no obligation to update any of our forward-looking statements for any reason.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read and copy that information at the public reference room of the SEC at 450 Fifth Street, NW, Washington, D.C. 20549. You may call the SEC at 1-800-SEC-0330 for more information about the public reference room. The SEC also maintains an Internet site that contains reports, proxy and information statements and other information regarding registrants, like us, that file reports with the SEC electronically. The SEC's Internet address is <http://www.sec.gov>. You may also obtain certain information about us at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

We have filed a shelf registration statement on Form S-3 and related exhibits with the SEC under the Securities Act. The shelf registration statement may contain additional information that may be important to you. You may obtain a copy of the shelf registration statement and exhibits from the SEC as indicated above.

In this document, we “incorporate by reference” certain information that we file with the SEC, which means that we can disclose important information to you by referring to that information. You will be deemed to have notice of all information incorporated by reference in this prospectus as if that information was included in this prospectus. You should therefore read the information incorporated by reference in this prospectus with the same care you use when reading this prospectus. Certain information that we file later with the SEC will automatically update and supersede information incorporated by reference in this prospectus and information contained in this prospectus.

We incorporate by reference the following documents that we have filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the “Exchange Act”):

- Annual Report on Form 10-K for the year ended December 31, 2001.
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2002 and June 30, 2002.
- Current Reports on Form 8-K filed on January 31, 2002, February 1, 2002, March 22, 2002, April 25, 2002, April 29, 2002, May 3, 2002, June 28, 2002, July 15, 2002, July 19, 2002, July 26, 2002, August 13, 2002 (two reports), August 14, 2002, August 22, 2002 and October 8, 2002.
- The description of our common stock contained in our registration statement, as amended and restated on Form 8-A/A (File No. 1-7784; filed November 19, 1999), and the description of our related preference share purchase rights contained in our registration statement, as amended and restated on Form 8-A/A (File No. 1-7784; filed on November 19, 1999).
- All documents filed by us with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and prior to the termination of this offering.

At your request, we will provide you with a free copy of any of these filings (except for exhibits, unless the exhibits are specifically incorporated by reference into the filing). You may request copies by writing us at 100 CenturyTel Drive, Monroe, Louisiana 71203 , Attention: Harvey P. Perry, or by telephoning us at (318) 388-9000. In addition, so long as any debentures remain outstanding as “restricted securities” within the meaning of Rule 144 under the Securities Act, we will make available to any holder of debentures, upon request, at the same address and phone number, information as is necessary to permit sales pursuant to Rule 144 and Rule 144A under the Securities Act during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act.

PROSPECTUS SUMMARY

This summary highlights selected information from the prospectus and is not intended to contain all of the information that may be important to you. You should read the entire prospectus and the documents to which we have referred you. As used in this prospectus, the terms “CenturyTel,” “we,” “our,” and “us” refer to CenturyTel, Inc., and not any of its subsidiaries (unless the context requires and except under the heading “CenturyTel” immediately below, where such terms refer to the consolidated operations of CenturyTel, Inc. and its subsidiaries).

CenturyTel

We are a regional integrated communications company. We are primarily engaged in providing local telephone communications services in 22 states. We also provide long distance, Internet, competitive local exchange, broadband data, security monitoring, and other communications and business information services. As described further below, we recently sold our wireless communications business. For the year ended December 31, 2001, local telephone services provided 90% of our consolidated revenues from continuing operations.

Our principal offices are located at 100 CenturyTel Drive, Monroe, Louisiana 71203, telephone number: (318) 388-9000.

Operations

Telephone operations. Based on published sources, we believe that we are currently the eighth largest local exchange telephone company in the United States, measured by the number of telephone access lines served. At August 31, 2002, our telephone subsidiaries served approximately 2.4 million access lines in 22 states, primarily in rural, suburban and small urban communities. All of our access lines are served by digital switching technology, which in conjunction with other technologies allows us to offer additional premium services to our customers, including call forwarding, conference calling, caller identification, selective call ringing and call waiting.

The following table sets forth information with respect to our access lines as of August 31, 2002:

	Number of <u>Access</u> <u>Lines</u>	Percent of <u>Access</u> <u>Lines</u>
Wisconsin	495,690(1)	20.3%
Missouri	484,998(2)	19.9%
Alabama	295, 662	12.1%

Arkansas	270,703	11.1%
Washington	189,465	7.8%
Michigan	116,045	4.7%
Louisiana	104,562	4.3%
Colorado	97,282	4.0%
Ohio	84,455	3.5%
Oregon	77,464	3.2%
Montana	66,272	2.7%
Texas	49,474	2.0%
Minnesota	31,179	1.3%
Tennessee	27,574	1.1%
Mississippi	24,105	1.0%
New Mexico	6,550	-(3)
Idaho	6,074	-(3)
Wyoming	5,526	-(3)
Indiana	5,480	-(3)
Iowa	2,082	-(3)
Arizona	1,980	-(3)
Nevada	506	-(3)
	<u>2,443,128</u>	<u>100%</u>

(1) Approximately 62,020 of these lines are owned and operated by CenturyTel's 89%-owned affiliate.

(2) Approximately 130,995 of these lines are owned and operated by CenturyTel's 75.7%-owned affiliate.

(3) Represents less than 1%.

Our telephone subsidiaries are installing fiber optic cable in certain of our high traffic markets and have provided alternative routing of telephone service over fiber optic cable networks in several strategic operating areas. At August 31, 2002, our telephone subsidiaries had approximately 13,800 miles of fiber optic cable in use.

Other operations. We also provide long distance, Internet, competitive local exchange, broadband data, and security monitoring in certain local and regional markets, as well as certain printing and related business information services. At August 31, 2002, our long distance business served approximately 572,100 customers in certain of our markets, and we provided Internet access services to a total of approximately 167,200 customers, 128,900 of which received traditional dial-up Internet service and 38,300 of which received retail DSL services.

In late 2000, we began offering competitive local exchange telephone services, coupled with long distance, Internet access and other services, to small to medium-sized businesses in Monroe and Shreveport, Louisiana, and in late 2001, we began offering similar services in Grand Rapids and Lansing, Michigan.

Acquisitions and Dispositions

Wireline acquisitions. On July 1, 2002, we completed the purchase of assets comprising all of the local exchange telephone operations of Verizon Communications, Inc. ("Verizon") in the state of Alabama for approximately \$1.020 billion in cash. The assets purchased include (i) all telephone access lines (which numbered

nearly 300,000 at the time of purchase) and related property and equipment comprising Verizon's local exchange operations in 90 exchanges in predominantly rural markets throughout Alabama, (ii) Verizon's assets used to provide DSL and other high speed data services within the purchased exchanges and (iii) approximately 1,400 route miles of fiber optic cable within the purchased exchanges. The acquired assets do not include Verizon's wireless, long distance, dial-up Internet, or directory publishing operations, or rights under various Verizon contracts, including those relating to customer premise equipment. We did not assume any liabilities of Verizon other than (i) those associated with contracts, facilities and certain other assets transferred in connection with the purchase and (ii) certain employee-related liabilities, including liabilities for postretirement health benefits.

On August 31, 2002, we completed the purchase of assets comprising all of Verizon's local exchange telephone operations in the state of Missouri for approximately \$1.177 billion in cash. The assets purchased include (i) all telephone access lines (which numbered approximately 354,000 at the time of purchase) and related property and equipment comprising Verizon's local exchange operations in 98 exchanges in predominantly rural and suburban markets throughout Missouri, several of which are adjacent to properties that we have owned and operated since 2000, (ii) Verizon's assets used to provide DSL and other high speed data services within the purchased exchanges in Missouri and (iii) an aggregate of approximately 1,400 route miles of fiber optic cable within the purchased exchanges in Missouri. Our agreement with Verizon relating to assets retained by Verizon and liabilities assumed by us in the transaction are the same as those described above for the Alabama purchase.

Wireless operations divestiture. On August 1, 2002, we completed the sale of substantially all of our wireless operations to an affiliate of ALLTEL Corporation ("Alltel"). We agreed on March 19, 2002 to sell our wireless operations to Alltel for \$1.65 billion in cash. Due to a cross-ownership restriction that precluded the sale of one minority-owned market, we received approximately \$1.593 billion in connection with the transaction (which we expect to be \$1.268 billion after tax). Alltel has agreed to purchase this minority interest from us for approximately \$68 million, if, among other things, the FCC waives the cross-ownership restriction prior to February 1, 2003. No assurance can be given that this sale will occur.

In connection with this transaction, we divested our (i) interests in our majority-owned and operated cellular systems, which at June 30, 2002 served approximately 783,000 customers and had access to approximately 7.8 million pops, (ii) minority cellular equity interests representing approximately 1.8 million pops at June 30, 2002, and (iii) licenses to provide Personal Communications Services covering approximately 1.3 million pops in Wisconsin and Iowa.

Pro Forma Information. For more information on our recent acquisitions and divestiture, we refer you to the unaudited pro forma consolidated condensed financial information incorporated by reference herein from our current report on Form 8-K dated August 31, 2002 and filed with the SEC on October 8, 2002.

Future acquisitions. We continually evaluate the possibility of acquiring additional communications assets in exchange for cash, securities or both, and at any given time may be engaged in discussions or negotiations regarding additional acquisitions. We generally do not announce our acquisitions until we have entered into a preliminary or definitive agreement. Over the past few years, the number and size of communications properties on the market has increased substantially. Although our primary focus will continue to be on acquiring interests near our properties or that serve a customer base large enough for us to operate efficiently, we may also acquire other communications interests and these acquisitions could have a material impact upon CenturyTel.

Funding Commitments

On October 15, 2002, we are committed to redeem \$400 million principal amount of our remarketable debt securities at par value, plus an associated premium payment of approximately \$71.1 and accrued interest. We are also committed in December 2002 to pay taxes estimated at \$325 million resulting from the sale of our wireless operations. We plan to fund these redemption and tax payments by using cash on hand and borrowings under our \$800 million of existing credit facilities .

When used in this prospectus, (1) the term "FCC" means the Federal Communications Commission, (2) the term "DSL" means digital subscriber lines, through which we provide high-speed Internet service, and (3) the term "pops," whenever used with respect to wireless operations, means the population of licensed markets (based on independent third-party population estimates) multiplied by Hour proportionate equity interests in the licensed operators of those markets.

The Debentures

Debentures Covered by this Prospectus	\$165 million aggregate principal amount of 4.75% Convertible Senior Debentures, Series K, due 2032 of CenturyTel.
Maturity	August 1, 2032.
Ranking	The debentures are our senior unsecured obligations. The debentures rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future unsecured and unsubordinated debt. As of June 30, 2002, we had approximately \$2.7 billion of unsecured and unsubordinated debt that would have ranked equally with the debentures. However, we are a holding company and, therefore, the debentures will be effectively subordinated to all existing and future obligations of our subsidiaries. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.
Interest	4.75% per year on the principal amount payable semi-annually in arrears on February 1 and August 1 of each year, beginning on February 1, 2003. We will pay contingent interest if it becomes payable as described below and elsewhere in this prospectus.
Contingent Interest	We will pay contingent interest to the holders of debentures during any six-month period from August 1 to January 31 and from February 1 to July 31, commencing with the six-month period beginning August 1, 2006, if the average Debenture Price for the Applicable Five Trading Day Period (each as defined in “Description of Debentures —Contingent Interest”) equals 120% or more of the principal amount of such debentures. The amount of contingent interest payable per debenture in respect of any six-month period will equal the greater of (1) the cash dividends paid by us per share on our common stock during that six-month period multiplied by the number of shares of common stock issuable upon conversion of a debenture and (2) .125% of the average Debenture Price for the Applicable Five Trading Day Period.
Conversion Rights	<p>Holders may convert their debentures prior to maturity, in multiples of \$1,000 principal amount, under any of the following circumstances:</p> <ul style="list-style-type: none">• at any time at the option of the holder if the average sale price (as defined under “Description of Debentures —Conversion Rights”) of our common stock for the last 20 trading days in the preceding calendar quarter is greater than or equal to 120% of the conversion price;

- if the credit rating assigned to the debentures is reduced to Ba2 or lower by Moody’s Investor’s Service Inc. (“Moody’s”) or BB+ or lower by Standard and Poor’s Ratings Group (“S&P”);
- if we call the debentures for redemption as

described in this prospectus; or

- upon the occurrence of specified corporate transactions described under “Description of Debentures — Conversion Rights — Conversion Upon Specified Corporate Transactions.

For each debenture surrendered for conversion, a holder will receive 24.7188 shares of our common stock. This represents an initial conversion price of \$40.455 per share of our common stock based on the issue price of the debentures. As described in this prospectus, the conversion rate may be adjusted under certain circumstances.

Optional Redemption

On or after August 5, 2006, we may redeem for cash all or part of the debentures at any time at the redemption prices set forth under “Description of Debentures —Optional Redemption.”

Purchase of Debentures by CenturyTel at the Option of the Holder

Holders will have the right to require us to purchase all or a portion of the debentures on August 1, 2006, August 1, 2010 and August 1, 2017. In each case, the purchase price payable will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date. We will pay cash for all debentures so purchased on August 1, 2006. For any such purchases on or after August 1, 2010, we may choose to pay the purchase price in cash or shares of our common stock valued at their market price (as defined under “Description of Debentures —Purchase of Debentures by CenturyTel at the Option of the Holder”), or any combination thereof, except that we will pay any accrued and unpaid interest in cash.

Change in Control

If we undergo a change in control, holders will have the right, at their option, to require us to purchase for cash all or any portion of their debentures not previously called for redemption. We will pay a purchase price equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date.

Tax Matters

We and each holder of debentures agreed in the supplemental indenture described herein to treat the debentures as “contingent payment debt instruments” for United States federal income tax purposes. Holders of debentures are required to accrue original issue discount on a constant yield to maturity basis at the rate at which we would borrow in a noncontingent, nonconvertible borrowing, 8.97% (which we refer to as the “comparable yield”), even though the debentures have a stated yield to maturity that is significantly lower than the comparable yield. Holders will therefore recognize taxable income significantly in excess of cash received while the debentures are outstanding. Additionally, holders will generally be required to recognize ordinary income on the gain, if any, realized (including the fair market value of the common stock received) on

a sale, exchange, conversion or redemption of the debentures. See “Certain United States Federal Income Tax Consequences.” No ruling will be obtained from the Internal Revenue Service concerning the application of the contingent payment debt rules to the debentures. You should consult your own tax advisor concerning the tax consequences of an investment in the debentures.

Use of Proceeds

We will not receive any proceeds from sales of any of the securities covered by this prospectus by the selling securityholders.

Book-Entry Form

The debentures are represented by two, permanent global debentures in definitive, fully-registered form without interest coupons. The global debentures have been deposited with the trustee as custodian for The Depository Trust Company (“DTC”) and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC. Beneficial interests in any of the debentures will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances described in this prospectus.

Trading

The debentures are currently eligible for trading in the Portal Market. However, debentures sold using this prospectus will no longer be eligible for trading in the Portal Market. Our shares of common stock are traded on the New York Stock Exchange under the symbol “CTL.”

Risk Factors

You should carefully consider all of the information contained or incorporated by reference in this prospectus as well as the specific factors under “Risk Factors” beginning on page 9.

RISK FACTORS

Before purchasing any of our securities offered by this prospectus, you should carefully consider the following risk factors, as well as the other information contained or incorporated by reference in this prospectus.

Risk Factors Relating to CenturyTel

We have a substantial amount of indebtedness.

Principally, as a result of our recent acquisitions, we have a substantial amount of indebtedness. See “Capitalization.” This could hinder our ability to adjust to changing market and economic conditions, as well as our ability to access the capital markets to refinance maturing debt in the ordinary course. In connection with executing our business strategies, we are continuously evaluating the possibility of acquiring additional communications assets, and we may elect to finance acquisitions by incurring additional indebtedness. If we incur significant

additional indebtedness, our credit ratings could be adversely affected. As a result, our borrowing costs could increase, our access to capital may be adversely affected and our ability to satisfy our obligations under the debentures or our other indebtedness could be adversely affected.

Our operations have undergone material changes, and our actual operating results will differ from the results indicated in our historical and pro forma financial statements.

As a result of our recently completed Verizon acquisitions and wireless divestiture, our mix of operating assets differs materially from those operations upon which our historical financial statements are based. Consequently, our historical financial statements may not be reliable as an indicator of future results. Moreover, the pro forma financial information incorporated by reference in this prospectus, while helpful in illustrating certain effects of our recently completed transactions and related financings, does not attempt to predict or suggest future operating results. The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described in such information, nor is it necessarily indicative of our future operating results or financial position.

In particular, you should be aware that the pro forma information incorporated by reference in this prospectus reflects our preliminary allocations of the aggregate purchase price paid in the Verizon acquisitions to the Verizon assets acquired. Such preliminary allocations include the assumption that the fair value of property, plant and equipment will approximate the carrying value thereof on the applicable dates of acquisition. The preliminary estimates of the fair value of the noncurrent assets and liabilities are subject to change upon completion of our valuation analysis. To the extent that final allocations of the purchase price cause our annual depreciation and amortization expense to differ from that presented in the pro forma information, annual earnings per share will be affected by \$.01 per share for every \$2.4 million difference in annual depreciation and amortization expense. Thus, for example, if we ultimately allocate an additional \$95.7 million of the aggregate purchase price to property, plant and equipment (representing a 15% increase in the amount that we have preliminarily allocated to such assets), our annual depreciation and amortization expense would increase by approximately \$9.6 million (assuming a composite depreciation rate of 10%) and our annual earnings per share would decrease by approximately \$.04 per share from the amounts presented in the pro forma information. For more information, see the notes to the pro forma information incorporated by reference herein.

Our future results will suffer if we do not effectively manage our growth.

We expect our future growth to come from acquiring additional telephone properties, expanding into new markets, providing service to new customers, increasing network usage and providing additional products and services. Our future growth depends, in part, upon our ability to:

- upgrade our billing and other information systems
- retain and attract technological, managerial and other key personnel to work at our Monroe, Louisiana headquarters and regional offices
- effectively manage our day to day operations while attempting to execute our business strategy of expanding our wireline operations and our emerging businesses
- realize the projected growth and revenue targets developed by management for our newly acquired and emerging businesses, and
- continue to identify new acquisition opportunities that we can finance, complete and operate on attractive terms.

Our rapid growth poses substantial challenges for us to integrate new operations into our existing business, to successfully monitor our operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. If we are not able to meet these challenges effectively, our results of operations may be harmed.

Our industry is highly regulated, and continues to undergo various fundamental regulatory changes.

As a diversified full service incumbent local exchange carrier, or ILEC, we have traditionally been subject to significant regulation from federal, state and local authorities. This regulation restricts our ability to raise our rates and to compete, and imposes substantial compliance costs on us. In recent years, the communications industry has undergone various fundamental regulatory changes that have generally reduced the regulation of telephone companies and permitted competition in each segment of the telephone industry. These and subsequent changes could adversely affect us by reducing the fees that we are permitted to charge, altering our tariff structures, or otherwise changing the nature of our operations and competition in our industry. We are unable to predict the future actions of the various regulatory bodies that govern us, but such actions could materially affect our business.

We face competition, which could adversely affect us.

As a result of various technological, regulatory and other changes, the telecommunications industry has become increasingly competitive, and we expect these trends to continue. The number of companies that have requested authorization to provide local exchange service in our markets has increased in recent years, and we anticipate that others will take similar action in the future. As an ILEC, our competitors include competitive local exchange carriers, or CLECs, and other providers (or potential providers) of communications services, such as Internet service providers, wireless telephone companies, satellite companies, alternate access providers, neighboring ILECs, long

distance companies and cable companies that may provide services competitive with ours or services that we intend to introduce. We cannot assure you that we will be able to compete effectively with all of these industry participants.

We expect competition to intensify as a result of new competitors and the development of new technologies, products and services. We cannot predict which future technologies, products or services will be important to maintain our competitive position or what funding will be required to develop and provide these technologies, products or services. Our ability to compete successfully will depend on how well we market our products and services, and on our ability to anticipate and respond to various competitive factors affecting the industry, including a changing regulatory environment that may affect us differently from our competitors, new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions and discount pricing strategies by competitors.

Many of our current and potential competitors have market presence, engineering, technical and marketing capabilities and financial, personnel and other resources substantially greater than ours. In addition, some of our competitors can raise capital at a lower cost than we can, and have substantially stronger brand names. Consequently, some competitors may be able to charge lower prices for their products and services, to develop and expand their communications and network infrastructures more quickly, to adapt more swiftly to new or emerging technologies and changes in customer requirements, and to devote greater resources to the marketing and sale of their products and services than we can.

While we expect our telephone revenues to grow as the economy improves, our internal telephone revenue growth rate has slowed in recent years and may continue to slow during upcoming periods.

We could be harmed by the recent adverse developments affecting other communications companies.

Recently, WorldCom, Inc. and several other large communications companies have declared bankruptcy or suffered financial difficulties. Consequently, we recorded a provision for uncollectible receivables, primarily related to the bankruptcy of WorldCom, Inc., in the amount of \$15.0 million in the second quarter of 2002. Continued weakness in the communications industry could have additional future adverse effects on us, including reducing our ability to collect receivables and to access the capital markets on favorable terms.

Our agreements and organizational documents and applicable law could limit another party's ability to acquire us at a premium.

Under our articles of incorporation, each share of common stock that has been beneficially owned by the same person or entity continually since May 30, 1987 generally entitles the holder to ten votes on all matters duly submitted to a vote of shareholders. As of March 20, 2002, the holders of our ten-vote shares held approximately 43.5% of our total voting power. In addition, a number of other provisions in our agreements and organizational documents, including our shareholder rights plan, and various provisions of applicable law may delay, defer or prevent a future takeover of CenturyTel unless the takeover is approved by our board of directors. This could deprive you of any related takeover premium for any common stock that you might receive in the future upon a conversion of the debentures. See "Description of Common Stock—Certain Provisions Affecting Takeovers."

Risk Factors Relating to the Debentures

The debentures are effectively subordinated to the debt of our subsidiaries.

As a holding company, substantially all of our income and operating cash flow is dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon loans or other payments of funds by those subsidiaries to, us. As a result, we rely upon our subsidiaries to generate the funds necessary to meet our obligations, including the payment of amounts owed under the debentures. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due pursuant to the debentures or, subject to limited exceptions for tax-sharing purposes, to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. Certain of our subsidiaries' loan agreements contain various restrictions on the transfer of funds to us, including certain provisions that restrict the amount of dividends that may be paid to us. As of December 31, 2001, the amount of retained earnings of our subsidiaries not subject to dividend restrictions was approximately \$1.8 billion. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization (and the ability of holders of debentures to benefit indirectly therefrom) will be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.

An active trading market for the debentures may not develop.

The debentures are a new issue of securities for which there currently is no active trading market. We cannot assure you that an active trading market for the debentures will develop or as to the liquidity or sustainability of any such market, the ability of the holders to sell their debentures or the price at which holders of the debentures will be able to sell their debentures. Future trading prices of the debentures will also depend on many other factors, including, among other things, prevailing interest rates, the market for similar securities, our performance and other factors. We do not intend to apply for listing of the debentures on any securities exchange or any automated quotation system.

Investment in the debentures will result in the yearly inclusion in your taxable income of amounts significantly in excess of cash received while the debentures are outstanding.

We and, by purchasing debentures, each holder agreed in the supplemental indenture to treat the debentures as contingent payment debt instruments subject to the contingent payment debt regulations. As a result, if you invest in the debentures, you will be required to include amounts in income, as original issue discount, in advance of the cash you receive on the debentures. The rate at which you will accrue such original issue discount will be the "comparable yield," which is the rate at which we would borrow in a noncontingent, nonconvertible

borrowing, even though the debentures have a significantly lower stated yield to maturity. You will therefore recognize taxable income significantly in excess of cash received while the debentures are outstanding. In addition, you will recognize taxable income upon the conversion of the debentures equal to the difference between the fair market value of the common stock received and your adjusted tax basis in the debentures. Gain or loss recognized upon a sale, exchange or conversion generally will be ordinary in nature. To the extent that any such loss may be capital in nature, the deductibility of such loss will be subject to limitations. See “Certain United States Federal Income Tax Consequences.”

Your rights to require us to purchase your debentures may not adequately protect you.

On August 1, 2006, August 1, 2010 and August 1, 2017, and upon the occurrence of a change in control of CenturyTel, holders of the debentures may require us to purchase their debentures. A purchase at the option of the holder of debentures on August 1, 2006, or upon the occurrence of a change of control, will be required to be paid in cash. However, it is possible that we would not have sufficient funds at those times to make the required purchase of debentures. Failure by us to repurchase the debentures when required under the indenture will result in an event of default with respect to the debentures. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, may not constitute a change in control under the indenture. We have incurred, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specified dates. See “Description of Debentures —Purchase of Debentures by CenturyTel at the Option of the Holder” and “—Change in Control.”

The price of our common stock, changes in our credit rating or changes in the credit markets could adversely affect the market price of the debentures.

The market price for the debentures will be based on a number of factors, including:

- the market price of our common stock, which may result in greater volatility in the trading value of the debentures than would be expected for nonconvertible debt securities;
- our ratings with major credit rating agencies;
- the prevailing interest rates being paid by other companies similar to us; and
- the overall condition of the financial markets.

The condition of the credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the debentures.

In addition, credit rating agencies continually revise their ratings for the companies that they follow, including us. The credit rating agencies also evaluate the communications industry as a whole and may change their credit rating for us based on their overall view of our industry. See “— Risk Factors Relating to CenturyTel — We could be harmed by the recent adverse developments affecting other communications companies.” We cannot be sure that credit rating agencies will maintain their current ratings on the debentures. A negative change in our ratings could have an adverse effect on the price of the debentures.

USE OF PROCEEDS

We will not receive any of the proceeds from sales of any of the securities covered by this prospectus by the selling securityholders.

EARNINGS RATIOS

Our unaudited ratio of earnings to fixed charges and preferred stock dividends was as indicated below for the periods indicated.

	Year Ended December 31,					Six Months ended June 30, 2002
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Ratio of earnings to fixed charges and preferred stock dividends ⁽¹⁾	7.80	3.25	3.75	3.07	3.40	3.06
Ratio of earnings, excluding non-recurring items ⁽²⁾ , to fixed charges and preferred stock dividends	4.87	2.95	3.45	3.01	2.57	3.20

Ratio of earnings from continuing operations to fixed charges and preferred stock dividends ⁽¹⁾	5.91	2.18	2.45	2.07	2.00	2.19
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Ratio of earnings from continuing operations, excluding non-recurring items ⁽²⁾ , to fixed charges and preferred stock dividends	2.98	2.01	2.39	2.12	1.89	2.33
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- (1) For purposes of the chart above, “earnings” consist of income (or income from continuing operations, as applicable) before income taxes and fixed charges, and “fixed charges” include interest expense, including amortized debt issuance costs and preferred stock dividend costs of CenturyTel and its subsidiaries. No interest expense was allocated to discontinued operations for the computation of the ratios from continuing operations. We have assumed that our consolidated preferred stock dividend requirements were equal to the pre-tax earnings that would be required to cover those dividend requirements. We computed those pre-tax earnings using actual tax rates for each period. The ratio of earnings to fixed charges and preferred stock dividends does not differ materially from the ratio of earnings to fixed charges for the periods indicated in the table above.
- (2) Non-recurring items during the periods presented above primarily relate to gains on sales of assets and other non-recurring charges and credits, including, but not limited to, (i) the write-down in the value of certain nonoperating assets or investments, (ii) costs to defend an unsolicited takeover proposal, (iii) costs to settle interest rate hedge contracts and (iv) costs relating to an ice storm in early 2001.

PRICE RANGE AND DIVIDENDS OF COMMON STOCK

Our 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 paid, for each of the quarters indicated:

	Sales Prices		Dividend Paid per Common Share
	High	Low	
2002			
First quarter	\$ 35.50	\$ 28.80	\$.0525
Second quarter	34.45	27.00	.0525
Third quarter	30.60	21.13	.0525
Fourth quarter (through October 8, 2002)	25.70	22.35	.0525(1)
2001			
First quarter	\$ 39.88	\$ 25.45	\$.0500
Second quarter	30.42	26.90	.0500
Third quarter	36.50	28.30	.0500
Fourth quarter	35.79	30.25	.0500
2000			
First quarter	\$ 47.31	\$ 32.31	\$.0475
Second quarter	40.38	24.44	.0475
Third quarter	32.38	25.25	.0475
Fourth quarter	38.50	26.81	.0475

(1) Anticipated to be paid in November 2002, subject to declaration by our board of directors.

On October 8, 2002, the last reported sale price of our common stock on the New York Stock Exchange was \$24.13 per share.

Purchasers of the debentures will not be entitled to receive any quarterly dividends with a record date prior to a conversion date. Future dividends will depend upon our future earnings, financial condition and other factors affecting our dividend policy. See “Description of Common Stock —General —Dividends.”

CAPITALIZATION (Dollars in thousands)

The following table sets forth the following information as of June 30, 2002:

- our actual consolidated capitalization
- our pro forma consolidated capitalization after giving effect to our recent Verizon acquisitions, wireless operations divestiture and sale of debt securities.

For additional information regarding these transactions, see “Prospectus Summary — CenturyTel — Acquisitions and Dispositions.” You should read the following table in conjunction with our consolidated financial statements and unaudited pro forma consolidated condensed financial information, and the notes thereto, incorporated by reference into this prospectus.

	Adjustments					
	As of June 30, 2002	Purchase of Alabama Properties(1)	Divestiture of Wireless Operations(2)	Sale of Debt Securities(3)	Purchase of Missouri Properties(4)	Pro Forma for Adjustments
Cash and cash equivalents	\$ 302,070	\$ (288,000)	\$ 687,625	\$ 665,000	\$ (1,177,000)	\$ 189,695
Short-term debt	\$ --	\$ 432,000	\$ (432,000)			\$ --
Long-term debt						
CenturyTel, Inc.						
4.85% note, due through 2002.	173,375		(173,375)			--
Senior credit facility, due through 2002		300,000	(300,000)			--
Senior notes and debentures						
7.75% Series A, due 2004	50,000					50,000
8.25% Series B, due 2024	100,000					100,000
6.55% Series C, due 2005	50,000					50,000
7.20% Series D, due 2025	100,000					100,000
6.15% Series E, due 2005	100,000					100,000
6.30% Series F, due 2008	240,000					240,000
6.875% Series G, due 2028	425,000					425,000
8.375% Series H, due 2010	500,000					500,000
7.75% Series I, remarketable 2002	400,000					400,000
6.02% Series J, due 2007	500,000					500,000
4.75% Series K, due 2032	--			165,000		165,000
7.875% Series L, due 2012	--			500,000		500,000
9.38% notes, due through 2003	7,975					7,975
6.84%(5) Employee Stock Ownership Plan commitment, due in installments through	2,000					2,000

2004					
Net unamortized premium and discounts	10,548				10,548
Other	161				161
Total CenturyTel, Inc. Inc Subsidiaries	2,659,059	300,000	(473,375)	665,000	3,150,684
	523,526				523,526
Total long-term debt	3,182,585	300,000	(473,375)	665,000	3,674,210
Less: Current maturities	432,397				432,397
Total long-term debt excluding current maturities	2,750,188	300,000	(473,375)	665,000	3,241,813

	Adjustments					
	As of June 30, 2002	Purchase of Alabama Properties(1)	Divestiture of Wireless Operations(2)	Sale of Debt Securities(3)	Purchase of Missouri Properties(4)	Pro Forma for Adjustments
Stockholders' equity						
Common stock, \$1.00 par value, 350,000,000 shares authorized, 141,660,660 shares issued and outstanding	141,661					141,661
Paid-in capital	509,939					509,939
Retained earnings	1,800,514		578,154			2,378,668
Unearned ESOP shares	(2,000)					(2,000)
Preferred stock-non-redeemable	7,975					7,975
Total stockholders' equity	2,458,089	--	578,154	--	--	3,036,243
Total capitalization	\$ 5,640,674	\$ 732,000	\$ (327,221)	\$665,000	--	\$ 6,710,453

- (1) Reflects the \$1.020 billion purchase of our Alabama properties from Verizon on July 1, 2002, using cash on hand and borrowings under credit facilities.
- (2) Reflects (i) the reduction in debt utilizing cash proceeds received from the sale of our wireless operations on August 1, 2002 and (ii) the estimated gain on the sale of such operations.
- (3) Reflects our concurrent sale in the third quarter of 2002 of \$165 million of debentures and \$500 million of senior notes.
- (4) Reflects the \$1.177 billion purchase of Missouri properties from Verizon on August 31, 2002, using cash on hand.
- (5) Weighted average interest rate at June 30, 2002.

DESCRIPTION OF DEBENTURES

The debentures were issued as a separate series of senior debt securities under an indenture, dated as of March 31, 1994, between us and Regions Bank (successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), as trustee, and a supplemental indenture relating to the debentures (collectively, the "indenture").

The following summary does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the debentures and the indenture. We urge you to read the indenture and the form of the debentures, which we have filed with the SEC as exhibits to the shelf registration statement of which this prospectus forms a part, because they, and not this description, define your rights as holders of the debentures.

General

The debentures are limited to an aggregate principal amount of \$165 million. The debentures will mature on August 1, 2032.

The debentures were initially offered at a price to investors of \$1,000 per debenture. The debentures accrue interest at a rate of 4.75% per year from August 26, 2002 or from the most recent interest payment date to which interest has been paid or duly provided, payable semi-annually in arrears on February 1 and August 1 of each year, beginning February 1, 2003. In addition, we will pay contingent interest if it becomes payable as described in this prospectus. The debentures are issued only in denominations of \$1,000 principal amount and multiples of \$1,000 principal amount. See "— Interest" and "—Contingent Interest."

You may have the option to convert your debentures into shares of our common stock at a conversion rate of 24.7188 shares of common stock per debenture, upon the occurrence of certain events described in this prospectus. This is equivalent to an initial conversion price of \$40.455 per share of our common stock based on the issue price of the debentures. The conversion rate is subject to adjustment upon

the occurrence of certain events described below. See “—Conversion Rights.”

If any interest payment date, maturity date, redemption date or purchase date of a debenture falls on a day that is not a business day, the required payment of principal, premium, if any, and interest will be made on the next succeeding business day as if made on the date that the payment was due and no interest will accrue on that payment for the period from and after the interest payment date, maturity date, redemption date or purchase date, as the case may be, to the date of that payment on the next succeeding business day.

Ranking

The debentures are our senior unsecured obligations. The debentures rank senior to any of our future subordinated debt and rank equally in right of payment with all of our existing and future unsecured and unsubordinated debt. The indenture does not limit the aggregate principal amount of senior debt securities that we may issue thereunder. As of June 30, 2002, we had approximately \$2.7 billion of unsecured and unsubordinated debt that would have ranked equally with the debentures, including approximately \$2.5 billion aggregate principal amount of senior debt securities issued under the indenture.

As a holding company, substantially all of our income and operating cash flow is dependent upon the earnings of our subsidiaries and the distribution of those earnings to, or upon loans or other payments of funds by those subsidiaries to, us. As a result, we rely upon our subsidiaries to generate the funds necessary to meet our obligations, including the payment of amounts owed under the debentures. Our subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due pursuant to the debentures or, subject to limited exceptions for tax sharing purposes, to make any funds available to us to repay our obligations, whether by dividends, loans or other payments. Certain of our subsidiaries' loan agreements contain various restrictions on the transfer of funds to us, including certain provisions that restrict the amount of dividends that may be paid to us. At December 31, 2001, the amount of retained earnings of our subsidiaries not subject to dividend restrictions was approximately \$1.8 billion. Moreover, our rights to receive assets of any subsidiary upon its liquidation or reorganization (and the ability of holders of debentures to benefit indirectly therefrom) will be effectively subordinated to the claims of creditors of that subsidiary, including trade creditors. As of June 30, 2002, the long-term debt of our subsidiaries was \$523.5 million.

Interest

We will pay interest on the debentures at a rate of 4.75% per year. In addition, we will pay contingent interest if it becomes payable as described below. Interest will be based on a 360-day year comprised of twelve 30-day months, and will be payable semi-annually on February 1 and August 1, beginning on February 1, 2003. The record date for the payment of interest to holders will be January 15 and July 15 of each year. We will pay interest on the debentures by wire transfer or by check mailed to the address of the registered holders of the debentures as of the record date relating to each interest payment date.

You should be aware that, notwithstanding the foregoing, you will be required to include amounts in income, as original issue discount, in excess of the cash you receive on the debentures. The rate at which you will accrue such original issue discount will be the “comparable yield,” which is the rate at which we would borrow in a noncontingent, nonconvertible borrowing. You will therefore recognize taxable income significantly in excess of cash received while the debentures are outstanding. For more information, see the discussion below in the section captioned “Certain United States Federal Income Tax Consequences.”

Contingent Interest

Subject to the accrual and record date provisions described below, we will pay contingent interest to the holders of debentures during any six-month period from August 1 to January 31 and from February 1 to July 31, commencing with the six-month period beginning August 1, 2006, if the average Debenture Price (as defined below) for the Applicable Five Trading Day Period (as defined below) equals 120% or more of the principal amount of such debentures. We will pay contingent interest only in cash. “Applicable Five Trading Day Period” means the five trading days ending on the second trading day immediately preceding the first day of the relevant six-month period, unless we declare a dividend for which the record date falls prior to the first day of a six-month period but the payment date falls within such six-month period, in which case the “Applicable Five Trading Day Period” means the five trading days ending on the second trading day immediately preceding such record date.

The amount of contingent interest payable per debenture in respect of any six-month period will equal the greater of (1) cash dividends paid by us per share on our common stock during that six-month period multiplied by the number of shares of our common stock issuable upon conversion of debentures at the then applicable conversion rate and (2) .125% of the average Debenture Price for the Applicable Five Trading Day Period.

Contingent interest, if any, will accrue and be payable to holders of debentures as of the record date for the related common stock dividend or, if no cash dividend is paid by us during a quarter within the relevant six-month period, to holders of debentures as of the fifteenth day preceding the last day of the relevant six-month period. Such payments will be paid on the payment date of the related common stock dividend or, if no cash dividend is paid by us during a quarter within the relevant six-month period, on the last day of the relevant six-month period. For information on your obligation to accrue original issue discount on your debentures, see “Certain United States Federal Income Tax Consequences.”

For financial accounting purposes, our obligation to pay contingent interest on the debentures will constitute an embedded derivative, the initial value of which is not material to our consolidated financial position. Any material changes in its value will be reflected in our future income statements in accordance with Statement of Financial Accounting Standards No. 133, “Accounting for Derivative Instruments and Hedging Activities.”

“Cash dividends” means all cash dividends on our common stock (whether regular, periodic, extraordinary, special, nonrecurring or otherwise) as declared by our board of directors.

“Trading day” means a day on which our common stock:

- is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business, and
- has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the common stock.

The “Debenture Price” on any date of determination means the average of the secondary market bid quotations per debenture obtained by the bid solicitation agent for \$10 million principal amount of debentures at approximately 4:00 p.m., New York City time, on such determination date from three unaffiliated securities dealers we select, provided that if:

- at least three such bids are not obtained by the bid solicitation agent, or
- in our reasonable judgment, the bid quotations are not indicative of the secondary market value of the debentures,

then the Debenture Price will equal (a) the then applicable conversion rate of the debentures multiplied by (b) the average sale price (as defined under “—Conversion Rights”) of our common stock for the last five trading days ending on such determination date.

The bid solicitation agent is initially the trustee. We may change the bid solicitation agent, but the bid solicitation agent may not be our affiliate. The bid solicitation agent will solicit bids from securities dealers that are believed by us to be willing to bid for the debentures.

Upon determination that holders will be entitled to receive contingent interest which may become payable during a relevant six-month period, on or prior to the start of such six-month period, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our Web site or through such other public medium as we may use at that time.

Optional Redemption

No sinking fund is provided for the debentures. Prior to August 5, 2006, the debentures are not redeemable. On or after August 5, 2006, at our option, we may redeem the debentures for cash at any time in whole, or from time to time in part, upon not less than 30 nor more than 60 days notice by mail, at the following redemption prices (expressed as percentages of the principal amount thereof) if redeemed during the 12-month period beginning on August 5 of each year indicated, plus accrued and unpaid interest to the redemption date:

Year	Redemption Price
2006	102.85%
2007	102.38%
2008	101.90%
2009	101.43%
2010	100.95%
2011	100.48%
2012 and thereafter	100.00%

If we decide to redeem fewer than all of the outstanding debentures, the trustee will select the debentures to be redeemed by lot, on a pro rata basis or by another method the trustee considers fair and appropriate.

If the trustee selects a portion of your debentures for partial redemption and you convert a portion of the same debentures, the converted portion will be deemed to be from the portion selected for redemption.

In the event of any redemption in part, we will not be required to:

- issue, register the transfer of or exchange any debenture during a period beginning at the opening of business 15 days before any selection of debentures for redemption and ending at the close of business on the earliest date on which the relevant notice of redemption is deemed to have been given to all holders of debentures to be so redeemed; or
- register the transfer of or exchange any debenture so selected for redemption, in whole or in part, except the unredeemed portion of any debenture being redeemed in part.

Conversion Rights

Subject to the conditions described below, holders may convert each of their debentures into shares of our common stock at a

conversion rate of 24.7188 shares of our common stock per \$1,000 principal amount of debentures (equivalent to an initial conversion price of \$40.455 per share of common stock based on the issue price of the debentures). The conversion rate and the equivalent conversion price in effect at any given time are referred to in this prospectus as the applicable conversion rate and the applicable conversion price, respectively, and will be subject to adjustment as described below. A holder may convert fewer than all of such holder's debentures so long as the debentures converted are an integral multiple of \$1,000 principal amount.

Conversion Events . Holders may surrender their debentures for conversion into shares of our common stock prior to stated maturity if any of the following conditions is satisfied:

- at any time at the option of the holder if the average sale price of our common stock for the last 20 trading days in the preceding calendar quarter is greater than or equal to 120% of the conversion price,
- at any time if the credit rating assigned the debentures is reduced to Ba2 or lower by Moody's or BB+ or lower by S&P,
- if we have called the debentures for redemption, or
- upon the occurrence of specified corporate transactions,

all of which are described further immediately below.

Conversion upon satisfaction of sale price condition. A holder may surrender any of its debentures for conversion into shares of our common stock at any time at the option of the holder if the average sale price of our common stock for the last 20 trading days in the preceding calendar quarter is greater than or equal to 120% of the applicable conversion price. The "sale price" of our common stock on any date means the closing per share sale price (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average asked prices) on that date as reported in composite transactions for the principal U.S. securities exchange on which our common stock is traded or, if our common stock is not listed on a U.S. national or regional securities exchange, as reported on the Nasdaq Stock Market or, if our common stock is not so reported, the last quoted bid price for our common stock in the over-the-counter market as reported by the National Quotation Bureau or similar organization. If the bid price is not available, the closing price means the market value of our common stock on the date of determination as determined by a nationally recognized independent investment banking firm retained by us for this purpose. The trustee, which is Regions Bank, will on our behalf determine at the end of each quarter if the debentures are convertible and notify us.

Conversion upon credit rating event. Even if the debentures are not otherwise convertible at such time, holders may surrender their debentures for conversion at any time after the credit rating assigned to the debentures is reduced to Ba2 or lower by Moody's or BB+ or lower by S&P.

Conversion upon redemption. Even if the debentures are not otherwise convertible at such time, a holder may surrender for conversion any of the debentures called for redemption at any time prior to the close of business two business days immediately prior to the redemption date. If a holder has already delivered a purchase notice or a change in control purchase notice with respect to a debenture, however, the holder may not surrender that debenture for conversion until the holder has withdrawn the notice in accordance with the indenture.

Conversion upon specified corporate transactions. Even if the debentures are not otherwise convertible at such time, if we elect to:

- distribute to all holders of our common stock certain rights entitling them to purchase, for a period expiring within 60 days, shares of our common stock at less than the sale price at the time, or
- distribute to all holders of our common stock our assets, debt securities or certain rights to purchase our securities, which distribution has a per share value exceeding 10% of the sale price of our common stock on the day preceding the declaration date for such distribution,

then we must notify the holders of the debentures at least 20 days prior to the ex-dividend date for any such distribution.

Once we have given such notice, holders may surrender their debentures for conversion at any time until the earlier of the close of business on the business day prior to the ex-dividend date or our announcement that such distribution will not take place, provided that a holder may not convert if the holder will or may otherwise participate in the distribution without conversion.

In addition, if we are party to a consolidation, merger or binding share exchange pursuant to which our common stock would be converted into cash, securities or other property, a holder may surrender debentures for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of such transaction. If we are a party to a consolidation, merger or binding share exchange pursuant to which our common stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a debenture into common stock will be changed into a right to convert it into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted its debentures immediately prior to the transaction. If the transaction also constitutes a "Change in Control," as defined below, a holder can require us to purchase all or a portion of its debentures as described below under "—Change in Control."

Conversion Procedures . The initial conversion rate is 24.7188 shares of common stock for each \$1,000 principal amount of

debentures. This is equivalent to an initial conversion price of \$40.455 per share of common stock based on the issue price of the debentures. You will not receive any cash payment representing accrued and unpaid interest upon conversion of a debenture. Instead, upon conversion we will deliver to you a fixed number of shares of our common stock and any cash payment to account for fractional shares. The cash payment for fractional shares will be based on the sale price of our common stock on the trading day immediately prior to the conversion date. Delivery of shares of common stock will be deemed to satisfy our obligation to pay the principal amount of the debentures, including accrued interest. Accrued and unpaid interest will be deemed paid in full rather than canceled, extinguished or forfeited. We will not adjust the conversion rate to account for the accrued interest. If debentures not called for redemption are converted after a record date for the payment of interest and prior to the next succeeding interest payment date, such debenture must be accompanied by funds equal to the interest payable on such succeeding interest payment date on the principal amount so converted.

If you wish to exercise your conversion right, you must deliver an irrevocable conversion notice, together, if the debentures are in certificated form, with the certificated security, to the conversion agent who will, on your behalf, convert the debentures into shares of our common stock. You may obtain copies of the required form of the conversion notice from the conversion agent. Beneficial owners of interests in a global note may exercise their right of conversion by delivering to DTC the appropriate instruction form for conversion pursuant to DTC's conversion program.

Based on our treatment of the debentures for United States federal income tax purposes, as discussed further herein, a holder would be required to recognize ordinary income upon a conversion of a debenture into our common stock equal to the excess, if any, between the fair market value of the common stock received on the conversion and the holder's adjusted tax basis in the debentures. For a more detailed discussion, see "Certain United States Federal Income Tax Consequences."

Adjustments to Conversion Rate . The conversion rate will be subject to adjustment upon the following events:

- the payment of dividends and other distributions payable exclusively in shares of our common stock on our common stock;
- the issuance to all holders of our common stock of rights or warrants that allow the holders to purchase shares of our common stock at less than the then current sale price; provided that no adjustment will be made if holders of the debentures may participate in the transaction on a basis and with notice that our board of directors determines to be fair and appropriate or in some other cases;
- subdivisions or combinations of our common stock;
- the payment of dividends and other distributions to all holders of our common stock consisting of our debt, securities or assets or certain rights to purchase our securities, except for those rights or warrants referred to in the second bullet clause above and dividends and other distributions paid exclusively in cash, and excluding cash dividends or other cash distributions from current or retained earnings unless the annualized amount thereof per share exceeds 10% of the closing price of the shares of common stock on the day preceding the date of the declaration of such dividend or distribution, provided that no adjustment will be made if all holders of the debenture may participate in the transactions;
- the payment to holders of our common stock in respect of a tender or exchange offer, other than an odd-lot offer, by us or any of our subsidiaries for our common stock to the extent that the offer involves aggregate consideration that, together with (1) any cash and the fair market value of any other consideration payable in respect of any tender offer by us or any of our subsidiaries for shares of our common stock consummated within the preceding 12 months not triggering a conversion price adjustment and (2) all-cash distributions to all or substantially all stockholders made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 10% of the market capitalization of our common stock on the expiration date of the tender offer; and
- the distribution to all or substantially all stockholders of all-cash distributions in an aggregate amount that, together with (1) any cash and the fair market value of any other consideration payable in respect of any tender offer by us or any of our subsidiaries for shares of our common stock consummated within the preceding 12 months not triggering a conversion price adjustment and (2) all other all-cash distributions to all or substantially all stockholders made within the preceding 12 months not triggering a conversion price adjustment, exceeds an amount equal to 10% of the market capitalization of our common stock on the business day immediately preceding the day on which we declare the distribution.

In the event we elect to make a distribution described in the second or fourth bullet above which, in the case of the fourth bullet, has a per share value equal to more than 10% of the sale price of our shares of common stock on the day preceding the declaration date for such distribution, we will be required to give notice to the holders of the debentures at least 20 days prior to the ex-dividend date for such distribution and, upon the giving of such notice, the debentures may be surrendered for conversion at any time until the close of business on the business day prior to the ex-dividend date or until we announce that such distribution will not take place. No adjustment to the conversion rate or the ability of a holder of a debenture to convert will be made if the holder will or may otherwise participate in the distribution without conversion or in certain other cases.

We may increase the conversion rate as permitted by law for at least 20 days, so long as the increase is irrevocable during the period. If any action would require adjustment of the conversion rate under more than one of the provisions described above, only one adjustment will be made and that adjustment will be the amount of adjustment that has the highest absolute value to the holders of the debentures. No adjustment in the applicable conversion price will be required unless the adjustment would require an increase or decrease of at least 1% of the applicable conversion price. If the adjustment is not made because the adjustment does not change the applicable conversion price by more than 1%, then the adjustment that is not made will be carried forward and taken into account in any future adjustment.

Except as specifically described above, the applicable conversion price will not be subject to adjustment in the case of the issuance of any of our common stock, or securities convertible into or exchangeable for our common stock.

Purchase of Debentures by CenturyTel at the Option of the Holder

Holders will have the right to require us to purchase the debentures on August 1, 2006, August 1, 2010 and August 1, 2017. We will be required to purchase any outstanding debentures for which a holder delivers a written purchase notice to the trustee. This notice must be delivered at any time during the period beginning at the opening of business on the date that is 20 business days prior to the relevant purchase date and ending on the close of business on the last day prior to the purchase date. If the purchase notice is given and withdrawn during the period, we will not be obligated to purchase the related debentures. Our purchase obligation will be subject to some additional conditions described in the indenture. Also, there is no assurance that we will have enough funds on the dates listed above to purchase the debentures. See “Risk Factors.”

The purchase price payable pursuant to the option described above will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date.

We will pay cash for all debentures purchased pursuant to the option described above on August 1, 2006. For such purchases on or after August 1, 2010, we may choose to pay the purchase price in cash or shares of our common stock or any combination of cash and shares of our common stock, provided that we will pay any accrued cash interest in cash. For a discussion of the United States federal income tax treatment of a holder receiving cash, shares of common stock or any combination thereof, see “Certain United States Federal Income Tax Consequences.”

For any purchases on or after August 1, 2010, if we choose to pay the purchase price in whole or in part in shares of our common stock or any combination of cash and shares of our common stock, we will be required, as a condition thereof, to give notice on a date not less than 10 business days prior to each purchase date to all holders at their addresses shown in the register of the registrar, and to beneficial owners as required by applicable law, stating, among other things:

- whether we will pay the purchase price of the debentures in shares of our common stock, or any combination of cash and shares of our common stock, specifying the percentages of each; and
- the procedures that holders must follow to require us to purchase their debentures.

A holder’s notice electing to require us to purchase debentures must state:

- if certificated debentures have been issued, the debentures certificate numbers, or if not certificated, your notice must comply with appropriate DTC procedures;
- the portion of the principal amount of debentures to be purchased, in multiples of \$1,000;
- that the debentures are to be purchased by us pursuant to the applicable provisions of the debentures; and
- for any purchases on or after August 1, 2010, in the event we elect, pursuant to the notice that we are required to give, to pay the purchase price in shares of our common stock, in whole or in part, but the purchase price is ultimately to be paid to the holder entirely in cash because any of the conditions to payment of the purchase price or portion of the purchase price in shares of our common stock is not satisfied prior to the close of business on the last day prior to the purchase date, as described below, whether the holder elects:

- (1) to withdraw the purchase notice as to some or all of the debentures to which it relates, or
- (2) to receive cash in respect of the entire purchase price for all debentures or portions of debentures subject to the purchase notice.

If the holder fails to indicate the holder’s choice with respect to the election described in the final bullet point above, the holder will be deemed to have elected to receive cash in respect of the entire purchase price for all debentures subject to the purchase notice in these circumstances. For a discussion of the United States federal income tax treatment of a holder receiving cash instead of shares of our common

stock, see “Certain United States Federal Income Tax Consequences.”

A holder may withdraw any purchase notice by a written notice of withdrawal delivered to the paying agent prior to the close of business on the last day prior to the purchase date. The notice of withdrawal must state:

- the principal amount of the withdrawn debentures;
- if certificated debentures have been issued, the certificate numbers of the withdrawn debentures, or if not certificated, your notice must comply with appropriate DTC procedures; and
- the principal amount, if any, which remains subject to the purchase notice.

If, for any purchases on or after August 1, 2010, we elect to pay the purchase price, in whole or in part, in shares of our common stock, the number of shares to be delivered by us will be equal to the portion of the purchase price to be paid in shares of our common stock divided by the market price of one share of our common stock. We will pay cash based on the market price for all fractional shares.

The “market price” means the average of the sale prices of our common stock for the five trading day period ending on the third business day prior to the applicable purchase date (if the third business day prior to the applicable purchase date is a trading day, or if not, then on the last trading day prior to the third business day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during such five trading day period and ending on such date, of certain events that would result in an adjustment of the conversion rate with respect to our common stock.

Because the market price of our common stock is determined prior to the applicable purchase date, holders of the debentures bear the market risk with respect to the value of our common stock to be received from the date the market price is determined to the purchase date. We may pay the purchase price or any portion of the purchase price in shares of our common stock for purchases on or after August 1, 2010, only if the information necessary to calculate the market price is published in a daily newspaper of national circulation or is otherwise readily available.

Upon determination of the actual number of shares of our common stock to be paid upon repurchase of the debentures, we will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on our Web site or through such other public medium as we may use at that time.

A holder must either effect book-entry transfer or deliver the debentures, together with necessary endorsements, to the office of the paying agent after delivery of the purchase notice to receive payment of the purchase price. You will receive payment on the purchase date or the time of book-entry transfer or the delivery of the debentures. If the paying agent holds money or securities sufficient to pay the purchase price of the debentures on the business day following the purchase date, then:

- the debentures will cease to be outstanding;
- interest, including any contingent interest payable, will cease to accrue; and
- all other rights of the holder will terminate, other than the right to receive the purchase price upon delivery of the debentures.

This will be the case whether or not book-entry transfer of the debentures is made or whether or not the debentures are delivered to the paying agent.

We will comply with the provisions of Rule 13e-4 and any other tender offer rules under the Exchange Act which may be applicable at the time. We will file Schedule TO or any other schedule required in connection with any offer by us to purchase the debentures at your option.

Change in Control

If a Change in Control as defined below occurs, a holder of debentures will have the right, at its option, to require us to purchase for cash all of its debentures not previously called for redemption, or any portion of the principal amount thereof, that is equal to \$1,000 or an integral multiple of \$1,000. The price we are required to pay will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest to the purchase date.

Within 30 days after the occurrence of a Change in Control, we are obligated to give to the holders of the debentures notice of the Change in Control and of the purchase right arising as a result of the Change in Control. We must also deliver a copy of this notice to the trustee. To exercise the purchase right, a holder of the debentures must deliver on or before the 30th day after the date of our notice irrevocable written notice to the trustee of the holder’s exercise of its purchase right, together with the debentures with respect to which the right is being exercised. We are required to purchase the debentures on the date that is 45 days after the date of our notice.

A Change in Control will be deemed to have occurred at the time after the debentures are originally issued that any of the following occurs:

- (1) any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of our capital stock entitling the person to exercise 50% or more of the total voting power of all shares of our capital stock that is entitled to vote generally in elections of directors, other than an acquisition by us, any of our subsidiaries or any of our employee benefit plans; or
- (2) we merge or consolidate into any other person, another person merges into us, or we convey, sell, transfer or lease all or substantially all of our assets to another person, other than any transaction:
 - that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of our capital stock, or
 - pursuant to which the holders of our common stock immediately prior to the transaction are entitled to exercise, directly or indirectly, 50% or more of the total voting power of all shares of capital stock entitled to vote generally in the election of directors of the continuing or surviving corporation immediately after the transaction, or
 - which is effected solely to change our jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of our common stock solely into shares of common stock of the surviving entity.

However, a Change in Control will not be deemed to have occurred if either:

- (A) the sale price of our common stock for any five trading days within the period of 10 consecutive trading days ending immediately after the later of the Change in Control or the public announcement of the Change in Control in the case of a Change in Control relating to an acquisition of capital stock, or the period of 10 consecutive trading days ending immediately before the Change in Control, in the case of Change in Control relating to a merger, consolidation or asset sale, equals or exceeds 105% of the conversion price of the debentures in effect on each of those trading days, or
- (B) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters’ appraisal rights) in a merger or consolidation otherwise constituting a Change in Control under clause (1) or (2) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the merger or consolidation) and as a result of the merger or consolidation the debentures become convertible into such common stock.

For purposes of these provisions:

- whether a person is a “beneficial owner” will be determined in accordance with Rule 13d-3 under the Exchange Act; and
- “person” includes any syndicate or group that would be deemed to be a “person” under Section 13(d)(3) of the Exchange Act.

Rule 13e-4 under the Exchange Act requires the dissemination of prescribed information to security holders in the event of an issuer tender offer and may apply in the event that the purchase option becomes available to the holders of debentures. We will comply with this rule to the extent it applies at that time.

The definition of Change in Control includes a phrase relating to the conveyance, transfer, sale or lease or of “all or substantially all” of our assets. There is no precise, established definition of the phrase “substantially all” under applicable law. Accordingly, the ability of a holder of the debentures to require us to purchase its debentures as a result of the conveyance, transfer, sale or lease of less than all of our assets may be uncertain.

The foregoing provisions would not necessarily provide the holders of the debentures with protection if we are involved in a highly leveraged or other transaction that may adversely affect the holders.

If a Change in Control were to occur, we may not have enough funds to pay the Change in Control purchase price. In addition, we have incurred, and may in the future incur, other indebtedness with similar change in control provisions permitting our holders to accelerate or to require us to purchase our indebtedness upon the occurrence of similar events or on some specified dates. If we fail to purchase the debentures when required following a Change in Control, we will be in default under the indenture. See “Risk Factors.”

Merger and Consolidation

We may not consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of our assets to, another

corporation, unless (1) we agree to obtain a supplemental indenture pursuant to which the surviving entity or transferee agrees to assume our obligations under all outstanding senior debt securities, including the debentures, issued under the indenture and (2) the surviving entity or transferee is organized under the laws of the United States, any state thereof or the District of Columbia.

Although these transactions are permitted under the indenture, certain of the foregoing transactions would constitute a Change in Control (as defined herein) permitting each holder to require us to purchase the debentures of such holder as described herein.

Limitations on Liens

The indenture provides that CenturyTel will not, while any of the senior debt securities under the indenture remain outstanding (including the debentures), create or suffer to exist any mortgage, lien, pledge, security interest or other encumbrance (which we collectively refer to below as liens) upon our property, whether now owned or hereafter acquired, unless we shall secure the senior debt securities then outstanding, including the debentures, by such lien equally and ratably with all obligations and indebtedness thereby secured so long as such obligations and indebtedness remain so secured. Notwithstanding the foregoing, the indenture will not restrict us from creating or suffering to exist various types of liens permitted in the indenture, including the following:

- liens upon property hereafter acquired by us or liens on such property at the time of the acquisition thereof, or conditional sales agreements or title retention agreements with respect to any such property;
- liens on the stock of a corporation that, when such liens arise, concurrently becomes our subsidiary, or liens on all or substantially all of the assets of a corporation arising in connection with our purchase thereof;
- liens for taxes and similar levies, deposits to secure performance or obligations under certain specified circumstances and laws, mechanics' liens and similar liens arising in the ordinary course of business, liens created by or resulting from legal proceedings being contested in good faith, certain specified zoning restrictions and other restrictions on the use of real property, interests of lessors in property subject to any capitalized lease, and certain other similar liens generally arising in the ordinary course of business;
- liens existing on the date of the indenture; and
- liens that replace, extend or renew any lien otherwise permitted under the indenture.

The restrictions in the indenture described above would not protect the debenture holders in the event of a highly leveraged transaction in which unsecured indebtedness was incurred or in which the liens arising in connection therewith were freely permitted under the indenture, nor would it afford protection in the event of one or more highly leveraged transactions in which secured indebtedness was incurred by our subsidiaries. In the event of one or more highly leveraged transactions in which we incurred secured indebtedness, however, these provisions would require the debentures to be secured equally and ratably with such indebtedness, subject to the exceptions described above.

Events of Default

The indenture provides that an Event of Default means that one or more of the following events has occurred and is continuing with respect to senior debt securities of a particular series outstanding under the indenture, including the debentures:

- failure for 30 business days to pay interest on the senior debt securities of that series when due;
- failure to pay principal of (or premium, if any, on) the senior debt securities of that series when due (whether at maturity, upon redemption, by declaration or otherwise) or to make any sinking or analogous fund payment with respect to that series unless caused solely by a wire transfer malfunction or similar problem outside our control;
- failure to observe or perform any other covenant of that series for 60 days after written notice with respect thereto; or
- certain events relating to bankruptcy, insolvency or reorganization.

No Event of Default with respect to the senior debt securities of a particular series necessarily constitutes an Event of Default with respect to the senior debt securities of any other series issued under the indenture.

If an Event of Default shall occur and be continuing with respect to any series and if it is known to the trustee, the trustee is required to mail to each holder of that series a notice of the Event of Default within 90 days of such default.

Upon an Event of Default with respect to any series, the trustee or the holders of not less than 25% in aggregate outstanding principal amount of that series, by notice in writing to us (and to the trustee if given by such holders), may declare the principal of all senior debt securities of that series due and payable immediately, but the holders of a majority in aggregate outstanding principal amount of such series may rescind such declaration and waive the default if the default has been cured and a sum sufficient to pay all matured installments of interest and principal (and premium, if any) has been deposited with the trustee before any judgment or decree for such payment has been obtained or entered.

Holders of senior debt securities may not enforce the indenture except as provided therein. Subject to the provisions of the indenture relating to the duties of the trustee, if an Event of Default occurs and is continuing the trustee will be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any holders of the affected series, unless, among other things, the holders shall have offered the trustee indemnity reasonably satisfactory to it. Subject to the indemnification provisions and certain limitations contained in the indenture, the holders of a majority in aggregate principal amount of the senior debt securities of such series then outstanding will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to such series. The holders of a majority in aggregate principal amount of the then outstanding senior debt securities of any series affected by a default may, in certain cases, waive such default except a default in payment of principal of, or any premium, if any, or interest on, the debt securities of that series or a call for redemption of the debt securities of that series.

We will be required to furnish to the trustee annually a statement regarding our performance of certain of our obligations under the indenture.

Discharge and Defeasance

We may discharge our obligations with respect to any series of our senior debt securities outstanding under the indenture, including the debentures, subject to certain exceptions, if at any time:

- (1) we deliver to the trustee for cancellation all outstanding senior debt securities of that series and for which payment in moneys or U.S. government obligations has been deposited in trust by us, or
- (2) all outstanding senior debt securities of that series not previously delivered to the trustee for cancellation by us shall have become due and payable or are to become due and payable or called for redemption within one year and we have deposited with the trustee the entire amount in moneys or U.S. government obligations sufficient, without reinvestment, to pay at maturity or upon redemption the outstanding senior debt securities, including principal (and premium, if any) and interest due or to become due to the date of maturity or redemption, and if we shall also pay or cause to be paid all other sums payable thereunder with respect to that series.

Modification of the Indenture

The indenture contains provisions permitting us, when authorized by a board resolution, and the trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the senior debt securities of any series at the time outstanding and affected by such modification, including the debentures, to modify the indenture or any supplemental indenture affecting that series. However, no such modification may:

- (1) extend the fixed maturity of any senior debt securities of any series, reduce the principal amount thereof, 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 debt security so affected, or
- (2) reduce the aforesaid percentage of senior debt securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holder of each senior debt security then outstanding and affected thereby.

CenturyTel and the trustee may execute, without the consent of any holder of senior debt securities, including the debentures, a supplemental indenture for certain other usual purposes, including the following:

- creating a new series of senior debt securities;
- evidencing the assumption by any successor to CenturyTel of our obligations under the indenture;
- adding covenants to the indenture for the protection of the holders of senior debt securities;
- curing any ambiguity or inconsistency in the indenture, or making other provisions as shall not adversely affect the interests of the holders of the senior debt securities of any series; or
- changing or eliminating any provisions of the indenture provided that there is no outstanding senior debt security of any series created prior to such change that benefits therefrom.

Calculations in Respect of Debentures

We are responsible for making all calculations called for under the debentures. These calculations include, but are not limited to, determinations of the market prices of our common stock and accrued interest and contingent interest payable on the debentures. We will make all these calculations in good faith and, absent manifest error, our calculations will be final and binding on holders of debentures. We will provide a schedule of our calculations to the trustee, and the trustee is entitled to rely upon the accuracy of our calculations without independent verification. The trustee will forward our calculations to any holder of debentures upon the request of that holder.

Governing Law

The indenture and the debentures are governed by, and construed in accordance with, the laws of the State of Louisiana.

Form, Registration and Transfer

The debentures were issued in fully registered form. The trustee is the registrar of the debentures. No service charge will be made for any registration of transfer or exchange of debentures, or issue of new debentures in the event of a partial redemption, but we may generally require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Payment and Paying Agents

Payment of principal of and interest on the debentures will be made in U.S. dollars at the principal office of our paying agent or, at our option, by check in U.S. dollars mailed or delivered to the person in whose name such debenture is registered. Subject to certain exceptions provided for in the indenture, payment of any installment of interest on the debentures will be made to the person in whose name such debenture is registered at the close of business on the record date established under the indenture for the payment of interest.

The trustee has been designated as our sole paying agent and 1500 North 18th Street, Monroe, Louisiana, has been designated as the agent's office for purposes of payments with respect to the debentures. We may at any time designate additional paying agents or rescind the designation of any paying agents or approve a change in the office through which any paying agent acts, except that we will be required to maintain a paying agent in the Borough of Manhattan, City and State of New York, or Monroe, Louisiana.

Any money set aside by us for the payment of principal of or interest on any debenture that remains unclaimed two years after such payment has become due and payable will be repaid to us on May 31 following the expiration of the two-year period and the holder of the debenture may thereafter look only to us for payment thereof.

Replacement of Debentures

We will replace any debenture that becomes mutilated, destroyed, lost or stolen at the expense of the holder. The holder should deliver the debenture or satisfactory evidence of the destruction, loss or theft thereof to us and the trustee. An indemnity satisfactory to us and the trustee may be required before a replacement security will be issued.

Concerning the Trustee

The trustee, prior to the occurrence of an Event of Default, undertakes to perform only such duties as are specifically set forth in the indenture and, after the occurrence of an Event of Default, shall exercise the same degree of care as a prudent person would exercise in the conduct of such person's own affairs. Subject to such provision, the trustee is not required to exercise any of the rights or powers vested in it by the indenture at the request, order or direction of any debenture holders, unless offered reasonable security or indemnity by such holders against the costs, expenses and liabilities which might be incurred thereby. The trustee is not required to expend or risk its own funds or incur personal financial liability in the performance of its duties if the trustee reasonably believes that repayment of such funds or liability or adequate indemnity is not reasonably assured to it. We will pay the trustee reasonable compensation and reimburse it for reasonable expenses incurred in accordance with the indenture.

The trustee may resign with respect to the debentures and a successor trustee may be appointed to act with respect to the debentures.

Regions Bank is trustee under the indenture relating to our Series A, B, C, D, E, F, G, H, I, J, K and L senior debt securities. Regions Bank also serves as trustee for one of our employee benefit plans and provides revolving credit and other traditional banking services to CenturyTel.

Book-Entry; Delivery and Form; Global Debentures

As of the date of this prospectus, the debentures are represented by two, permanent global debentures in definitive, fully-registered form without interest coupons. The global debentures are held by the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC.

Except in the limited circumstances described below, holders of debentures represented by interests in the global debentures will not be entitled to receive debentures in definitive form.

DTC has advised us as follows: DTC is a limited purpose trust company organized under the New York Banking law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, and a "clearing corporation"

within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of institutions that have accounts with DTC (which we refer to as “participants”) and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC’s participants include securities brokers and dealers (which may include the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, whether directly or indirectly.

Upon the issuance of the global debentures, DTC credited, on its book-entry registration and transfer system, the respective principal amount of the individual beneficial interests represented by the global debentures to the accounts of participants. The accounts that were credited were designated by the initial purchasers of such beneficial interests. Ownership of beneficial interests in the global debentures was limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global debentures will be shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants’ interests) and such participants (with respect to the owners of beneficial interests in the global debentures other than participants).

So long as DTC or its nominee is the registered holder and owner of the global debentures, DTC or such nominee, as the case may be, will be considered the sole legal owner of the debentures represented by the global debentures for all purposes under the indenture and the debentures. Except as set forth below, owners of beneficial interests in the global debentures will not be entitled to receive debentures in definitive form and will not be considered to be the owners or holders of any debentures under the global debentures. We understand that under existing industry practice, in the event an owner of a beneficial interest in the global debentures desires to take any actions that DTC, as the holder of the global debentures, is entitled to take, DTC would authorize the participant to take such action, and that participant would authorize beneficial owners owning through such participant to take such action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in a global debenture will be able to transfer the interest except in accordance with DTC’s applicable procedures, in addition to any provided for under the indenture.

Payments of the principal of, premium, if any, and interest and liquidated damages, if any, on the debentures represented by the global debentures registered in the name of and held by DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner and holder of the global debentures.

We expect that DTC or its nominee, upon receipt of any payment of principal, premium, if any, or interest or additional interest, if any, in respect of the global debentures, will credit participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global debentures as shown on the records of DTC or its nominee. We also expect that payments by participants to owners of beneficial interests in the global debentures held through such participants will be governed by standing instructions and customary practices as is now the case with securities held for accounts of customers registered in the names of nominees for such customers. Such payments, however, will be the responsibility of such participants and indirect participants, and neither we, the trustee nor any paying agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or for any other aspect of the relationship between DTC and its participants or the relationship between such participants and the owners of beneficial interests in the global debentures.

Unless and until it is exchanged in whole or in part for debentures in definitive form, the global debentures may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds.

We expect that DTC will take any action permitted to be taken by a holder of debentures (including the presentation of debentures for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in the global debentures is credited and only in respect of such portion of the aggregate principal amount of the debentures as to which such participant or participants has or have given such direction. However, if there is an Event of Default under the debentures, DTC will exchange the global debentures for debentures in definitive form, which it will distribute to its participants.

Although we expect that DTC will agree to the foregoing procedures in order to facilitate transfers of interests in the global debentures among participants of DTC, DTC is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor the trustee will have any responsibility for the performance by DTC or its participants or indirect participants of its respective obligations under the rules and procedures governing its operations.

If DTC is at any time unwilling to continue as a depository for the global debentures and a successor depository is not appointed by us within 90 days, we will issue debentures in fully registered, definitive form in exchange for the global debentures.

Registration Rights

We entered into a registration rights agreement with the initial purchasers of the debentures. If you sell the debentures or shares of common stock issued upon conversion of the debentures under the shelf registration statement of which this prospectus forms a part, you generally will be required to be named as a selling securityholder in this prospectus, deliver this prospectus to purchasers, be subject to certain civil liability provisions under the Securities Act in connection with such sales and be bound by applicable provisions of the registration rights agreement, including certain indemnification provisions. The following summary of the registration rights agreement does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the registration rights agreement, which we

have filed with the SEC as an exhibit to the shelf registration statement.

In the registration rights agreement, we agreed for the benefit of the holders of debentures and shares of common stock issuable upon conversion of the debentures that we will, subject to certain rights to suspend use of this prospectus, use our reasonable best efforts to keep the shelf registration statement effective until the earliest of the time when the debentures covered by the shelf registration statement may be sold pursuant to Rule 144 under the Securities Act or the date when all of the debentures and the shares of our common stock issuable upon conversion of the debentures registered under the shelf registration statement have been disposed of in accordance with such registration statement or Rule 144.

We will pay cash liquidated damages to holders of the debentures or holders of common stock issued upon conversion of the debentures, subject to certain exceptions, if the shelf registration statement ceases to be effective or usable (subject to certain exceptions, a “registration default”) from and including the date on which any such registration default shall occur to but excluding the date on which any registration default has been cured.

Liquidated damages will accrue on the applicable principal amount of the debentures that remain subject to transfer restrictions under the Securities Act (“restricted securities”) and the applicable conversion price of shares of common stock issuable upon conversion of restricted securities at the rate of 0.25% per annum for the first 90-day period immediately following the occurrence of any registration default (and the rate will increase by an additional 0.25% per annum with respect to each subsequent 90-day period), until such registration default has been cured, up to a maximum rate of 0.50% per annum. We will pay any liquidated damages on regular interest payment dates. The liquidated damages will be in addition to any interest payable from time to time with respect to the debentures.

We will be permitted to suspend the effectiveness of the prospectus and the shelf registration statement during specified periods in specified circumstances, including circumstances relating to pending corporate developments or public filings with the SEC. If the suspension exceeds 45 days in any consecutive three-month period or 90 days in any consecutive 12-month period, we will be obligated to pay liquidated damages as described above.

All references in this prospectus, in any context, to any payment of principal, purchase prices in connection with a purchase of debentures, and interest or any other amount payable on or with respect to any of the debentures are deemed to include payment of any liquidated damages pursuant to the registration rights agreement.

DESCRIPTION OF COMMON STOCK

The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, our articles of incorporation and our bylaws, which are both filed as exhibits to the shelf registration statement of which this prospectus forms a part.

Our articles of incorporation authorize us to issue 350,000,000 shares of common stock, \$1.00 par value per share. As of October 8, 2002, 142,042,818 shares of common stock were outstanding. The common stock is listed for trading on the New York Stock Exchange.

General

Voting rights . Under our articles of incorporation, each share of common stock that has been beneficially owned by the same person or entity continuously since May 30, 1987 generally entitles the holder to ten votes on all matters duly submitted to a vote of shareholders. Otherwise, each share entitles the holder thereof to one vote per share. Accordingly, each share issued in connection with the conversion of the debentures will entitle the holder to one vote, and, subject to limited exceptions, each other share of common stock issued by us in the future will entitle the holder to one vote.

Holders of our common stock do not have cumulative voting rights. As a result, the holders of more than 50% of the voting power may elect all of our directors. Our board of directors is divided into three classes of directors, with each class serving three-year terms. Each class is required to be as nearly equal in number as possible.

As of March 20, 2002, Regions Bank, the trustee for one of our employee benefit plans, was the record holder of common stock having approximately 28.1% of the total voting power of all classes of our capital stock. The trustee votes these shares in accordance with the instructions of our current and former employees. As of March 20, 2002, the holders of our ten-vote shares held approximately 43.5% of our total voting power.

Dividends . Holders of common stock are entitled to receive dividends when, as and if declared by our board of directors, out of funds legally available therefor, subject to the preferences applicable to any outstanding preferred stock. Our ability to pay dividends depends primarily upon the ability of our subsidiaries to pay dividends or otherwise transfer funds to us. Certain of our subsidiaries’ loan agreements contain various restrictions on the transfer of funds to us, including certain provisions that restrict the amount of dividends that may be paid to us. At December 31, 2001, the amount of retained earnings of our subsidiaries not subject to dividend restrictions was approximately \$1.8 billion.

Other rights and provisions . In the event we liquidate, dissolve or wind up our affairs, holders of common stock are entitled to receive ratably all of our assets remaining after satisfying the preferences of our creditors and the holders of any outstanding preferred stock. Our common stock is not redeemable and has no subscription, conversion or preemptive rights. All of our outstanding shares of common stock have been fully paid and are non-assessable.

Preference Share Purchase Rights

We have adopted a Rights Agreement that provides for the issuance of one preference share purchase right for each outstanding share of common stock. If anyone acquires 15% or more of our outstanding common stock (which we refer to as an Acquiring Person), each holder of a right, other than the Acquiring Person, will be entitled to receive upon exercise of each right additional shares of our common stock having a current market value of two times the exercise price of \$135. In addition, if we are acquired in a merger or other business combination or 50% or more of our assets or earning power is sold after there is an Acquiring Person, each holder of a right will be entitled to buy, at the exercise price, common stock of the acquirer having a current market value of two times the exercise price.

At any time before there is an Acquiring Person, we can redeem the rights in whole, but not in part, for \$.01 per right, or may amend the Rights Agreement in any way without the consent of the holders of the rights. Prior to an Acquiring Person acquiring 50% or more of our outstanding common stock, we may exchange the rights, other than rights held by the Acquiring Person, for common stock at an exchange ratio specified in the Rights Agreement.

Until a right is exercised, the holder thereof, as such, will have no rights as a shareholder. There shall not be any adjustment to the conversion rate of the debentures as a result of the issuance or redemption of the rights. The rights will expire on November 1, 2006, unless we extend this date or redeem or exchange the rights.

The complete terms of the rights are contained in our Rights Agreement, as amended. You should refer to our registration statement relating to our rights, as amended and restated on Form 8-A/A, which is also incorporated by reference herein.

Certain Provisions Affecting Takeovers

Our articles of incorporation and bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and that may have the effect of delaying, deferring or preventing a future takeover or change in control of CenturyTel unless the takeover or change of control is approved by our board of directors. Such provisions may also render more difficult the removal of our directors or officers. Certain of our agreements and certain provisions of applicable law may have similar effects.

Staggered board . Under our articles of incorporation, our board of directors is divided into three classes serving staggered three-year terms. Under our articles, directors can be removed from office only for cause and generally only by the affirmative vote of the holders of a majority of the voting power of all shareholders.

Limits on shareholder actions . Our articles provide that shareholder action may be taken only at an annual or special meeting of shareholders, and may not be taken by written consent of the shareholders. This provision prevents consent solicitations by persons desiring to acquire CenturyTel or change the composition of our board of directors. In addition, our articles provide that shareholders may call a special meeting of shareholders only if they hold at least a majority of our total voting power.

Fair price provisions . Our articles contain provisions designed to provide safeguards for our shareholders when certain current or former beneficial holders of our stock (referred to as “related persons”) attempt to effect a business combination with us. In general, subject to various exceptions, a business combination between CenturyTel and a related person must be approved by:

- a majority of our directors
- a majority of our continuing directors (as defined in our articles)
- 80% of the total voting power of all shareholders, and
- two-thirds of the total voting power of shareholders, other than the related person, present or represented at the shareholders’ meeting, voting as a separate group.

Evaluation of tender offers . Our board of directors is required by our articles, and expressly permitted by Louisiana law, to consider various factors when evaluating a business combination, tender or exchange offer, or a proposal by another person to make a tender or exchange offer, including the social and economic effects of the transaction on CenturyTel and our subsidiaries as well as on our respective employees, customers, creditors, and other elements of the communities in which we operate or are located.

Advance Notice . Our bylaws establish an advance notice procedure with regard to the nomination, other than by or at the direction of our board of directors, of candidates for election as directors and with regard to other matters to be brought before a meeting of our shareholders. In general, notice must be received by us not more than 180 days and not less than 90 days prior to the anniversary date of the immediately preceding annual meeting of shareholders (or, in the event of a special meeting of shareholders or an annual meeting scheduled to be held either 30 days earlier or later than such anniversary date, such notice is received by us within 15 days of the earlier of the date on which we mail notice of such meeting to shareholders or publicly disclose the meeting date), and must contain certain specified information concerning, among other things, the person to be nominated or the matter to be brought before the meeting and concerning the shareholder submitting the proposal.

Amendment of our Articles and Bylaws . Various provisions of our articles, including the classified board provisions, fair price provisions and those provisions limiting the ability of shareholders to act by written consent, may not be amended except upon the affirmative vote of both:

- 80% of the total voting power of all shareholders
- two-thirds of the total voting power of shareholders, other than a related person, present or represented at a shareholders' meeting, voting as a separate group.

Our bylaws may be adopted, amended, or repealed and new bylaws may be adopted by either:

- a majority of our directors and a majority of our continuing directors, voting as a separate group, or
- the holders of at least 80% of the total voting power of all shareholders and two-thirds of the total voting power of shareholders, other than the related person, present or duly represented at a shareholders' meeting, voting as a separate group.

As Indicated above, as of March 20, 2002, 43.5% of our total voting power is controlled by holders of our ten-vote shares.

Agreements . In connection with agreeing on March 19, 2002 to purchase our wireless business, Alltel Corporation agreed on such date to refrain for one year from taking various actions to acquire control of us. Our Rights Agreement, discussed above under “— Preference Share Purchase Rights”, could also have the effect of delaying, deferring or preventing a future takeover or change of control of CenturyTel.

Other . For additional information about these and other provisions of our organizational documents and applicable laws that could have an effect of delaying, deferring, discouraging or preventing a change in control of CenturyTel, you should refer to our registration statement relating to our common stock, as amended and restated on Form 8-A/A, which is incorporated by reference herein.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the material United States federal income tax consequences of the purchase, ownership and disposition of the debentures and the shares of our common stock into which the debentures may be converted. This summary deals only with debentures and shares of our common stock held as capital assets for United States federal income tax purposes by U.S. Holders.

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of a debenture or share of our common stock that for United States federal income tax purposes is:

- (1) a citizen or resident of the United States,
- (2) a corporation (or an entity treated as a corporation) created or organized in or under the laws of the United States, any state thereof or the District of Columbia,
- (3) an estate, the income of which is subject to United States federal income taxation regardless of its source, or
- (4) a trust, if a United States court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust.

If a partnership (including for this purpose any entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of debentures or shares of our common stock, the treatment of a partner in the partnership will generally depend upon the status of the partner and upon the activities of the partnership. A holder of debentures or shares of our common stock that is a partnership, and the partners in such partnership, should consult their tax advisors about the United States federal income tax consequences of holding and disposing of debentures and shares of our common stock.

Unless otherwise stated, this summary does not deal with special classes of holders, such as:

- banks
- thrifts
- real estate investment trusts
- regulated investment companies
- insurance companies

- dealers in securities or currencies
- tax-exempt investors
- holders that hold the debentures as part of a hedge, straddle, “synthetic security” or other integrated transaction for United States federal income tax purposes
- holders whose functional currency is not the U.S. dollar and
- holders that are not U.S. Holders.

Further, this summary does not include any description of any alternative minimum tax consequences, United States federal estate or gift tax laws or the tax laws of any state, local or foreign government that may be applicable to the debentures or the shares of our common stock.

This summary is based on the Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof, and all of which are subject to change and differing interpretations, possibly on a retroactive basis. No statutory or judicial authority directly addresses the treatment of the debentures or instruments similar to the debentures for United States federal income tax purposes. The Internal Revenue Service recently issued Rev. Rul. 2002-31, which addresses certain United States federal income tax consequences of debt instruments that have terms similar to the debentures. The discussion in this section of the prospectus is based, in part, on the conclusions reached by the IRS in Rev. Rul. 2002-31. However, those conclusions were based on a particular set of facts and assumptions. There can be no assurance that the IRS will not take the position that the conclusions reached in Rev. Rul. 2002-31 do not apply to the debentures, and successfully challenge one or more of the conclusions described in this prospectus.

We urge prospective investors to consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of debentures and shares of our common stock in light of their own particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in United States federal and other tax laws.

Classification of the Debentures

Pursuant to the terms of the supplemental indenture, each holder, by purchasing debentures, agreed to treat the debentures for United States federal income tax purposes as indebtedness subject to the regulations governing contingent payment debt instruments, and to be bound by our application of those regulations to the debentures, including our determination of the rate at which interest will be deemed to accrue, as original issue discount, on the debentures. The remainder of this discussion assumes that the debentures will be treated in accordance with that agreement and our determinations. However, the proper application of the regulations governing contingent payment debt instruments to a holder of a debenture is uncertain in a number of respects, and no assurance can be given that the IRS will not successfully assert that the debentures should be treated differently. Such treatment could affect the amount, timing and character of income, gain or loss in respect of an investment in the debentures. In particular, it might be determined that a holder should have accrued interest income at a lower rate, should not have recognized income or gain upon a conversion of its debentures, or should have recognized capital gain upon a taxable disposition of its debentures.

Original Issue Discount

Under the rules governing contingent payment debt instruments, a holder will generally be required to accrue interest income on the debentures as original issue discount, in the amounts described below, regardless of whether the holder uses the cash or accrual method of tax accounting. Accordingly, holders will likely be required to include interest in taxable income in each year in excess of the accruals on the debentures for non-tax purposes and in excess of any stated or contingent interest payments actually received in that year.

A holder must accrue on its debentures an amount of original issue discount as ordinary income for United States federal income tax purposes, for each accrual period prior to and including the maturity date of the debentures, that equals:

- the product of (i) the adjusted issue price (as defined below) of the debentures as of the beginning of the accrual period and (ii) the comparable yield to maturity (as defined below) of the debentures, adjusted for the length of the accrual period,
- divided by the number of days in the accrual period, and
- multiplied by the number of days during the accrual period that the holder held the debentures.

The “issue price” of a debenture is the first price at which a substantial amount of the debentures is sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers. The “adjusted issue price” of a debenture is its issue price, increased by any original issue discount previously accrued, determined without regard to any adjustments to interest accruals described below, and decreased by the projected amounts of any payments with respect to the debentures.

Under the rules governing contingent payment debt instruments, we are required to establish the “comparable yield” for the debentures. We have determined that the comparable yield for the debentures is the annual yield we would incur, as of the initial issue date, on a fixed-rate, nonconvertible debt security with no contingent payments, but with terms and conditions otherwise comparable to those of the debentures, including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for liquidity or the risk of any contingencies with respect to the debentures. Accordingly, we have determined the comparable yield to be 8.97%, compounded semi-annually.

We are required to provide to holders, solely for United States federal income tax purposes, a schedule of the projected amounts of payments on the debentures. This schedule must produce the comparable yield. Our determination of the projected payment schedule for the debentures includes estimates for payments of contingent interest and an estimate for a payment at maturity taking into account the conversion feature. Holders may obtain the projected payment schedule by submitting a written request at the address set forth in “Where You Can Find More Information.”

THE COMPARABLE YIELD AND THE SCHEDULE OF PROJECTED PAYMENTS ARE NOT DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF A HOLDER’S ORIGINAL ISSUE DISCOUNT ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF THE DEBENTURES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES, AND DO NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO HOLDERS OF THE DEBENTURES.

Adjustments to Original Issue Discount Accruals on the Debentures

If a holder receives actual payments with respect to the debentures in a taxable year that in the aggregate exceeded the total amount of projected payments for that taxable year, the holder will incur a “net positive adjustment” equal to the amount of such excess. The holder will treat the “net positive adjustment” as additional interest income for the taxable year. For this purpose, the payments in a taxable year include the fair market value of property received in that year.

If a holder receives actual payments with respect to the debentures in a taxable year that in the aggregate were less than the amount of the projected payments for that taxable year, the holder will incur a “net negative adjustment” equal to the amount of such deficit. This adjustment will (a) reduce the holder’s interest income on the debentures for that taxable year, and (b) to the extent of any excess after the application of (a), give rise to an ordinary loss to the extent of the holder’s income on the debentures during prior taxable years, reduced to the extent such interest was offset by prior net negative adjustments.

Sale, Exchange, Conversion or Redemption

Generally, the sale or exchange of a debenture, or the redemption of a debenture for cash, will result in taxable gain or loss to a holder. In addition, as described above, our calculation of the comparable yield and the schedule of projected payments for the debentures includes the receipt of common stock upon conversion of a debenture as a contingent payment with respect to the debentures. Accordingly, we intend to treat the receipt of our common stock by a holder upon the conversion of a debenture, or upon the exercise by a holder of its right to require us to purchase debentures where we elect to pay the purchase price in shares of our common stock, as a contingent payment. Under this treatment, such a conversion also will result in taxable gain or loss to the holder. As described above, holders are generally bound by our determination of the comparable yield and the schedule of projected payments.

The amount of gain or loss on a taxable sale, exchange, conversion or redemption will equal the difference between (a) the amount of cash plus the fair market value of any other property received by the holder, including the fair market value of any common stock received, and (b) the holder’s adjusted tax basis in the debentures. A holder’s adjusted tax basis in a debenture on any date generally will equal the holder’s original purchase price for the debentures, increased by any original issue discount previously accrued by the holder (determined without regard to any positive or negative adjustments to interest accruals described above), and decreased by the amount of any projected payments on the debentures projected to have been made through that date. Gain recognized upon a sale, exchange, conversion or redemption of a debenture generally will be treated as ordinary interest income; any loss will be ordinary loss to the extent of interest previously included in income, and, thereafter, as capital loss (which will be long-term if the debenture is held for more than one year). The deductibility of net capital losses is subject to limitations.

A holder’s tax basis in shares of our common stock received upon a conversion of a debenture, or upon a holder’s exercise of its right to require us to purchase debentures where we elect to pay the purchase price in shares of our common stock, will equal the then current fair market value of such common stock. The holder’s holding period for the shares of our common stock received will commence on the day after the date of conversion or purchase.

Purchasers of Debentures at a Price other than the Adjusted Issue Price

A holder that purchases debentures in the secondary market for an amount that differs from the adjusted issue price of the debentures at the time of purchase will be required to accrue interest income on the debentures in the same manner as a holder that purchased debentures in the initial offering. A holder must also reasonably allocate any difference between the adjusted issue price and the holder’s tax basis in the debentures to daily portions of interest or projected payments over the remaining term of the debentures. If the purchase price of the debentures is greater than the adjusted issue price, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a “negative adjustment” on the day the daily portion accrues or the payment is made, respectively. If the purchase price of the debentures is less than the adjusted issue price, the amount of the difference allocated to a daily portion of interest or to a projected payment is treated as a “positive adjustment” on the day the daily portion accrues or the payment is made, respectively. Any such negative or positive

adjustment will decrease or increase, respectively, the holder's adjusted tax basis in the debentures.

Certain holders will receive Forms 1099-OID that report interest accruals on their debentures. Those forms will not reflect the effect of any positive or negative adjustments resulting from the holder's purchase of debentures in the secondary market at a price different from adjusted issue price of the debentures on the date of purchase. Holders are urged to consult their tax advisors as to whether, and how, such adjustments should be taken into account in determining their interest accruals with regard to the debentures.

Distributions on Our Common Stock

Distributions on shares of our common stock that are paid out of our current or accumulated earnings and profits, as defined for United States federal income tax purposes, generally will constitute dividends and be includible in income by a holder and taxable as ordinary income when actually or constructively received. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated first as a tax-free return of the holder's investment, up to the holder's basis in the shares of our common stock. Any remaining excess will be treated as capital gain.

Constructive Dividends

If at any time we make a distribution of property to our stockholders that would be taxable to the stockholders as a dividend for United States federal income tax purposes and, in accordance with the anti-dilution provisions of the debentures, the conversion rate of the debentures is increased, such increase may be deemed to be the payment of a taxable dividend to holders of the debentures.

For example, an increase in the conversion rate in the event of distributions of our evidences of indebtedness or our assets or an increase in the event of an extraordinary cash dividend may result in deemed dividend treatment to holders of the debentures, but an increase in the event of stock dividends or the distribution of rights to subscribe for our common stock generally will not.

Backup Withholding and Information Reporting

Payments of interest (including original issue discount) or dividends made by us on, or the proceeds of the sale or other disposition of, the debentures or shares of our common stock generally will be subject to information reporting and may be subject to United States federal backup withholding tax at the rate of 30% (subject to phased-in reductions). Backup withholding will apply if the recipient of such payment fails to supply an accurate taxpayer identification number or otherwise fails to comply with applicable United States information reporting or certification requirements. Any amount withheld from a payment to a holder under the backup withholding rules generally is allowable as a credit against the holder's United States federal income tax, provided that the required information is furnished to the IRS.

Liquidated Damages

Holders should consult their tax advisors about the United States federal income tax consequences to them of the possible receipt of liquidated damages upon a registration default described under "Description of Debentures — Registration Rights."

THE PROPER TAX TREATMENT OF A HOLDER OF THE DEBENTURES IS HIGHLY UNCERTAIN IN A NUMBER OF RESPECTS. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF AN INVESTMENT IN THE DEBENTURES AND WHETHER AN INVESTMENT IN THE DEBENTURES IS ADVISABLE IN LIGHT OF THE AGREED UPON TAX TREATMENT AND THE HOLDER'S PARTICULAR TAX SITUATION.

SELLING SECURITYHOLDERS

The debentures were originally issued by us and sold by Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc. (the "initial purchasers") in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by the initial purchasers to be "qualified institutional buyers" as defined by Rule 144A under the Securities Act. The selling securityholders may from time to time offer and sell pursuant to this prospectus any or all of the debentures listed below and the shares of common stock issued upon conversion of such debentures. When we refer to the "selling securityholders" in this prospectus, we mean those persons listed in the table below, as well as the assignees, transferees, successors and others who later hold any of the selling securityholders' interests in restricted securities.

The table below sets forth the name of each selling securityholder, the principal amount of debentures that each selling securityholder may offer pursuant to this prospectus and the number of shares of common stock into which such debentures are convertible. Unless set forth below, to our knowledge, none of the selling securityholders has, or within the past three years has had, any material relationship with us or any of our predecessors or affiliates or beneficially owns in excess of 1% of our outstanding common stock.

The principal amounts of the debentures provided in the table below is based on information provided to us by each of the selling securityholders through , 2002, and the percentages are based on \$165 million aggregate principal amount of debentures outstanding. The number of shares of common stock that may be sold is based on the current conversion rate of 24.7188 shares of common stock per \$1,000 principal amount of debentures.

Since the date on which each selling securityholder provided the information below, such selling securityholder may have sold, transferred or otherwise disposed of all or a portion of its debentures in a transaction exempt from the registration requirements of the Securities Act. Information concerning the selling securityholders may change from time to time. If we are informed of any changed

information, it will be set forth in supplements to this prospectus to the extent required. In addition, the conversion ratio, and therefore the number of shares of our common stock issuable upon conversion of the debentures, is subject to adjustment under the circumstances described in this prospectus. Accordingly, the number of shares of common stock issuable upon conversion of the debentures may increase or decrease.

The selling securityholders may from time to time offer and sell any or all of the securities under this prospectus. Because the selling securityholders are not obligated to sell the debentures or shares of common stock issuable upon conversion of the debentures, we cannot estimate the amount of debentures or common stock that the selling securityholders will hold upon consummation of any such sales.

Name	Aggregate Principal Amount of Debentures that May be Sold	Percentage of Debentures Outstanding	Number of Shares of Common Stock Covered by this Prospectus(1)
Unnamed holders of debentures or any future transferees, pledges, donees or successors of any such unnamed holders (2)	<u>\$165,000,000</u>	<u>100%</u>	<u>4,078,602</u>
Total:	<u>\$165,000,000</u>	<u>100%</u>	<u>4,078,602</u>

* Less than 1%

- (1) Assumes conversion of all of the holders' debentures at a conversion rate of \$40.455 par share of common stock. However, this conversion rate will be subject to adjustment as described under "Description of Debentures —Conversion Rights - Adjustments to Conversion Rate." As a result, the amount of common stock issuable upon conversion of the debentures may increase or decrease in the future.
- (2) Specific information about selling securityholders will be set forth in prospectus supplements or amendments to this prospectus, if required.

PLAN OF DISTRIBUTION

The selling securityholders are the only persons authorized to offer and sell the securities covered by this prospectus. We will not receive any of the proceeds from the offering of the debentures or the common stock by the selling securityholders. In connection with the initial offering of the debentures, we entered into the registration rights agreement described under "Description of Debentures —Registration Rights." Securities may only be offered or sold under this prospectus pursuant to the terms of the registration rights agreement. However, selling securityholders may resell all or a portion of the securities in open market transactions in reliance upon Rule 144 or 144A under the Securities Act, provided they meet the criteria and conform to the requirements of one of these rules. We are registering the debentures and shares of our common stock covered by this prospectus to permit holders to conduct public secondary trading of these securities from time to time after the date of this prospectus. We have agreed, among other things, to bear all expenses, other than underwriting discounts, expenses of each holder's counsel, selling commissions and transfer taxes, in connection with the registration and sale of the debentures and shares of common stock covered by this prospectus.

We have been advised by the selling securityholders that the selling securityholders may sell all or a portion of the securities offered hereby from time to time:

- directly; or
- through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, commissions or concessions from the selling securityholders or from the purchasers of the securities for whom they may act as agent.

The debentures and the shares of our common stock may be sold from time to time in one or more transactions at:

- fixed prices, which may be changed;
- prevailing market prices at the time of sale;
- varying prices determined at the time of sale; or
- negotiated prices.

These prices will be determined by the holders of the securities or by agreement between these holders and underwriters or dealers who may receive fees or commissions in connection with the sale. The aggregate proceeds to the selling securityholders from the sale of the securities offered by them hereby will be the purchase price of the securities less discounts and commissions, if any.

The sales described in the preceding paragraph may be effected in transactions:

- on any national securities exchange or quotation service on which the debentures or shares of our common stock may be listed or quoted at the time of sale, including the New York Stock Exchange in the case of our common stock;
- in the over-the-counter market;
- in transactions otherwise than on such exchanges or services or in the over-the-counter market; or
- through the writing of options or similar securities.

These transactions may include block transactions or crosses. Crosses are transactions in which the same broker acts as an agent on both sides of the trade.

In connection with sales of the debentures and shares of our common stock or otherwise, the selling securityholders may enter into hedging transactions with broker-dealers. These broker-dealers may in turn engage in short sales of the securities in the course of hedging their positions. The selling securityholders may also sell the securities short and deliver the securities to close out short positions, or loan or pledge the securities to broker-dealers that in turn may sell the securities.

To our knowledge, there are currently no plans, arrangements or understandings between any selling securityholders and any underwriter, broker-dealer or agent regarding the sale of the debentures or the shares of our common stock covered by this prospectus. Selling securityholders may sell none, some or all of the securities covered by this prospectus. In addition, we cannot assure you that a selling securityholder will not sell, donate or otherwise transfer the debentures or common stock by other means not described in this prospectus.

The outstanding shares of our common stock are listed for trading on the New York Stock Exchange.

The selling securityholders and any broker-dealers, agents or underwriters that participate with the selling securityholders in the distribution of the debentures or our common stock may be deemed to be “underwriters” within the meaning of the Securities Act. In this case, any commissions received by these broker-dealers, agents or underwriters and any profit on the resale of the debentures or our common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. In addition, any profits realized by the selling securityholders may be deemed to be underwriting commissions under the Securities Act. To the extent the selling securityholders may be deemed to be underwriters, the selling securityholders may be subject to statutory liabilities, including, but not limited to, liabilities under Sections 11, 12 and 17 of the Securities Act and Rule 10b-5 under the Exchange Act.

The selling securityholders will be subject to the prospectus delivery requirements of the Securities Act. At any time a particular offer of the securities is made, we will, if reasonably requested, prepare a revised prospectus or prospectus supplement, if required, which discloses information required to be disclosed under the registration rights agreement including:

- the name of the selling securityholders and any participating underwriters, broker-dealers or agents;
- the aggregate amount and type of securities being offered;
- the offering price of the securities and other material terms of the offering; and
- any discounts, commissions, concessions or other items constituting compensation from the selling securityholders and any discounts, commissions or concessions allowed or reallocated or paid to dealers.

The prospectus supplement or a post-effective amendment will be filed with the SEC to reflect the disclosure of additional information with respect to the distribution of the securities.

We have agreed to indemnify the initial purchasers and each selling securityholder, and each selling securityholder has agreed to indemnify us, our directors, our officers who sign the shelf registration statement to which this prospectus relates and each person, if any, who controls CenturyTel within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act, against specified liabilities arising under the Securities Act, the Exchange Act or other applicable law.

The selling securityholders and any other person participating in such distribution will be subject to certain provisions of the Exchange Act. The Exchange Act rules include, without limitation, Regulation M, which may limit the timing of purchases and sales of any of the debentures and the underlying shares of our common stock by the selling securityholders and any such other person. In addition, Regulation M of the Exchange Act may restrict the ability of any person engaged in the distribution of the debentures and the underlying shares of our common stock to engage in market-making activities with respect to the particular debentures and the underlying shares of our common stock being distributed for a period of up to five business days prior to the commencement of distribution. This may affect the marketability of the debentures and the underlying shares of our common stock and the ability of any person or entity to engage in market-making activities with respect to the debentures and the underlying shares of our common stock.

Under the registration rights agreement, we are obligated to use our reasonable best efforts to keep the shelf registration statement of which this prospectus forms a part effective until the earlier of:

- the time when the holders of the debentures are able to sell all such debentures pursuant to Rule 144 under the Securities Act; or
- the date when all of the debentures or the shares of our common stock issuable upon conversion of the debentures registered under the shelf registration statement have been disposed of in accordance with such registration statement or Rule 144.

Our obligation to keep the shelf registration statement effective is subject to specified, permitted exceptions set forth in the registration rights agreement. In these cases, we may prohibit offers and sales of the debentures and shares of our common stock pursuant to the shelf registration statement.

We may suspend the use of this prospectus upon the occurrence or existence of certain specified events or conditions that, in our sole judgment, make it appropriate for us to take such action. Each selling securityholder has agreed not to trade securities from the time the selling securityholder receives notice from us of this type of event or condition until the selling securityholder receives a prospectus supplement or amendment, or is advised that this prospectus may be used. See "Description of Debentures – Registration Rights."

LEGAL MATTERS

The validity of the debentures have been passed upon for CenturyTel by Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P., New Orleans, Louisiana.

EXPERTS

The consolidated financial statements and related financial statement schedules of CenturyTel, Inc. and subsidiaries as of December 31, 2001 and 2000, and for each of the years in the three-year period ended December 31, 2001, included in CenturyTel, Inc.'s current report on Form 8-K dated March 19, 2002 and filed with the SEC on August 13, 2002, have been incorporated by reference herein and in the Registration Statement in reliance upon the reports of KPMG LLP, independent accountants, also incorporated by reference herein and in the Registration Statement, and upon the authority of said firm as experts in accounting and auditing.

The special purpose financial statements of Verizon's Alabama Operations and Verizon's Missouri Operations as of December 31, 2001, and for year then ended included in CenturyTel, Inc.'s current report on Form 8-K dated August 1, 2002 filed on August 13, 2002, and August 31, 2002 and filed with the SEC on October 8, 2002, have been incorporated by reference herein and in the registration statement in reliance upon the reports of Ernst & Young LLP, independent accountants, also incorporated by reference herein and in the registration statement, and upon the authority of such firm as experts in accounting and auditing.

4.75% Convertible Senior Debentures, Series K, due 2032 and shares of Common Stock Issuable upon Conversion of the Debentures

[CenturyTel, Inc.'s Logo Here]

\$165,000,000

PROSPECTUS

October , 2002

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The estimated fees and expenses payable by us in connection with the offering described in this registration statement are as follows:

SEC registration fee	\$	16,000
Printing costs	\$	30,000
Legal fees and expenses	\$	40,000
Accounting fees and expenses	\$	40,000
Miscellaneous	\$	75,000
Total	\$	201,000

Item 15. Indemnification of Directors and Officers.

Section 83 of the Louisiana Business Corporation Law provides in part that we may indemnify any of our directors, officers, employees or agents against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any action, suit or proceeding to which he is or was a party or is threatened to be made a party (including any action by us or in our right) if such action arises out of his acts on our behalf and he acted in good faith not opposed to our best interests, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. We have the power to obtain and maintain insurance, or to create a form of self-insurance, on behalf of any person who is or was acting for us, regardless of whether we have the legal authority to indemnify the insured person against such liability.

Article II, Section 10 of our by-laws (the "indemnification by-law") provides for mandatory indemnification for our current or former directors and officers to the fullest extent permitted by Louisiana law.

Our articles of incorporation authorize us to enter into contracts with directors and officers providing for indemnification to the fullest extent permitted by law. We have entered into indemnification contracts providing contracting directors or officers the procedural and substantive rights to indemnification currently set forth in the indemnification by-law ("indemnification contracts"). The right to indemnification provided by an indemnification contract applies to all covered claims, whether such claims arose before or after the effective date of the contract.

We maintain an insurance policy covering the liability of our directors and officers for actions taken in their official capacity. The indemnification contracts provide that, to the extent insurance is reasonably available, we will maintain comparable insurance coverage for each contracting party as long as he serves as an officer or director and thereafter for so long as he is subject to possible personal liability for actions taken in such capacities. The indemnification contracts also provide that if we do not maintain comparable insurance, we will hold harmless and indemnify a contracting party to the full extent of the coverage that would otherwise have been provided for his benefit.

Item 16. Exhibits.

The exhibits to this registration statement are listed in the exhibit index, which appears elsewhere herein and is incorporated herein by reference.

Item 17. Undertakings.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this

registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment filed for such purposes shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of CenturyTel's annual report pursuant to Section #13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrants pursuant to the foregoing provisions, or otherwise, the registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrants of expenses incurred or paid by a director, officer, or controlling person of the registrants in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.
- (d) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee under subsection (a) of section 310 of the Trust Indenture Act ("Act") in accordance with the rules and regulations prescribed by the Commission under section 305(b)(2) of the Act.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, CenturyTel, Inc. certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Monroe, State of Louisiana, on October 9, 2002.

CENTURYTEL, INC.

By: /s/ Glen F. Post, III

Glen F. Post, III

Chairman of the Board of Directors
and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears individually below constitutes and appoints Glen F. Post III, R. Stewart Ewing, Jr. and Harvey P. Perry, or any of them, with full power of substitution and full power to act without the other, his true and lawful attorney-in-fact and agent to act for him in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any related registration statement filed pursuant to Rule 462(b) under the Securities Act, and to file this registration statement, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in order to effectuate the same as fully, to all intents and purposes,

as they or he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Glen F. Post, III</u> Glen F. Post, III	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	October 9, 2002
<u>/s/ R. Stewart Ewing, Jr.</u> R. Stewart Ewing, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	October 9, 2002
<u>/s/ Neil A. Sweasy</u> Neil A. Sweasy	Vice President and Controller (Principal Accounting Officer)	October 9, 2002
<u>/s/ Harvey P. Perry</u> Harvey P. Perry	Director	October 9, 2002
<u>Jim D. Reppond</u>	Director	October 9, 2002
<u>/s/ William R. Boles, Jr.</u> William R. Boles, Jr.	Director	October 9, 2002
<u>/s/ Ernest Butler, Jr.</u> Ernest Butler, Jr.	Director	October 9, 2002
<u>/s/ Calvin Czeschin</u> Calvin Czeschin	Director	October 9, 2002
<u>/s/ James B. Gardner</u> James B. Gardner	Director	October 9, 2002
<u>/s/ W. Bruce Hanks</u> W. Bruce Hanks	Director	October 9, 2002
<u>/s/ R. L. Hargrove, Jr.</u> R. L. Hargrove, Jr.	Director	October 9, 2002
<u>/s/ Johnny Hebert</u> Johnny Hebert	Director	October 9, 2002
<u>/s/ F. Earl Hogan</u> F. Earl Hogan	Director	October 9, 2002
<u>/s/ C. G. Melville, Jr.</u> C. G. Melville, Jr.	Director	October 9, 2002
<u>Virginia Boulet</u>	Director	October 9, 2002

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Exhibit</u>
2.1	Asset Purchase Agreement, dated as of October 22, 2001, between GTE Midwest Incorporated (d/b/a Verizon Midwest) and CenturyTel of Missouri, LLC (incorporated by reference to Exhibit 2(a) of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
2.2	Asset Purchase Agreement, dated as of October 22, 2001, between Verizon South, Inc., Contel of the South, Inc. (d/b/a Verizon Mid-States) and CenturyTel of Alabama, LLC (incorporated by reference to Exhibit 2(b) of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001).
2.3	Stock Purchase Agreement, dated as of March 19, 2001, between CenturyTel, Inc. and Alltel Communications, Inc. (incorporated by reference to Exhibit 2.1 of CenturyTel's Current Report on form 8-K filed with the SEC on March 22, 2002).
3.1	Amended and Restated Articles of Incorporation of CenturyTel, dated as of May 6, 1999 (incorporated by reference to Exhibit 3(i) to CenturyTel's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
3.2	By-laws of CenturyTel as amended through November 18, 1999 (incorporated by reference to Exhibit 3(ii) of CenturyTel's Annual Report on Form 10-K for the year ended December 31, 1999).
4.1	Rights Agreement dated as of August 27, 1996 between CenturyTel and Harris Trust and Savings Bank (successor-in-interest to Society National Bank), as Rights Agent (incorporated by reference to Exhibit 1 to CenturyTel's Current Report on Form 8-K filed August 30, 1996), as amended by Amendment No. 1 to Rights Agreement, dated May 25, 1999 (incorporated by reference to Exhibit 4.2(ii) to CenturyTel's Current Report on Form 8-K dated May 25, 1999) and Amendment No. 2 thereto, dated and effective as of June 30, 2000, by and between CenturyTel and Computershare Investor Services LLC, as rights agent (incorporated by reference to Exhibit 4.1 of CenturyTel's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
4.2	Indenture dated as of March 31, 1994 between CenturyTel and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), as Trustee (incorporated by reference to Exhibit 4.1 of CenturyTel's registration statement on Form S-3, File No. 33-52915).
4.3	Second Supplemental Indenture dated as of August 20, 2002 between CenturyTel and the Trustee designating and authorizing the terms and conditions of the debentures that may be sold hereunder.*
4.4	Form of the debentures that may be sold hereunder (included within Exhibit 4.3).*
4.5	Registration Rights Agreement dated as of August 26, 2002 by and among CenturyTel, Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc.*
4.6	Form of common stock (incorporated by reference to Exhibit 4.3 of CenturyTel's Annual Report on Form 10-K for the year ended December 31, 2000).
5.1	Opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.*
8.1	Tax opinion of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.*
12.1	Statement regarding computation of ratio of earnings to fixed charges.*
23.1	Consent of KPMG LLP.*
23.2	Consent of Ernst & Young LLP.*
23.3	Consent of Jones Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P. (included in Exhibit 5.1).

- 24.1 Power of Attorney with respect to directors of CenturyTel, Inc. (included on the signature pages of this registration statement filed on October 10, 2002).
- 25.1 Statement of Eligibility of Trustee on Form T-1.*

* Filed herewith.

**Exhibit 4.3
to Registration Statement**

Second Supplemental Indenture

Dated as of August 20, 2002

to

Indenture dated March 31, 1994 by and between

CenturyTel, Inc. and Regions Bank, as Trustee

4.75% Convertible Senior Debentures, Series K, due 2032

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¹ This Table of Contents does not constitute part of this Second Supplemental Indenture or have any bearing upon the interpretation of any of its terms and provisions.

THIS SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") is made as of the 20th day of August 2002, by and between CENTURYTEL, INC., a Louisiana corporation, having its principal office at 100 CenturyTel Drive, Monroe, Louisiana 71203 (the "Company"), and REGIONS BANK (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), an Alabama state banking corporation, as trustee (herein called the "Trustee").

WITNESSETH:

WHEREAS, the Company has heretofore entered into an Indenture, dated as of March 31, 1994 (the "Original Indenture"), with the Trustee;

WHEREAS, the Original Indenture is incorporated herein by this reference and the Original Indenture, as amended and supplemented to the date hereof, including by this Second Supplemental Indenture, is herein called the "Indenture";

WHEREAS, under Section 2.01 of the Original Indenture, a new series of unsecured securities, debentures, notes or other evidence of indebtedness may at any time be established in accordance with the provisions of the Original Indenture and the terms of such series may be described in a supplemental indenture executed by the Company and the Trustee;

WHEREAS, the Company proposes to create under the Original Indenture a new series of unsecured securities, debentures, notes or other evidence of indebtedness;

WHEREAS, additional unsecured securities, debentures, notes or other evidence of indebtedness of other series hereafter established, except as may be limited in the Original Indenture as at the time supplemented and modified, may be issued from time to time pursuant to the Original Indenture as at the time supplemented and modified; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Second Supplemental Indenture and to make it a valid and binding obligation of the Company have been done or performed.

NOW, THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1

4.75% CONVERTIBLE SENIOR DEBENTURES, SERIES K, DUE 2032

Section 1.01 Establishment. There is hereby established a new series of unsecured securities, debentures, notes or other evidence of indebtedness to be issued under the Original Indenture, to be designated as the Company's 4.75% Convertible Senior Debentures, Series K, due 2032 (the "Debentures").

There are to be authenticated and delivered \$150,000,000 aggregate principal amount of Debentures (plus such additional principal amount of Debentures, not exceeding \$15,000,000, if the over-allotment option referred to in the Purchase Agreement (as defined in Section 1.02) is exercised in whole or in part), and no additional Debentures shall be authenticated and delivered except as provided by Sections 2.05, 2.06, 2.07, 3.03 and 9.04 of the Original Indenture. The Debentures may be issued from time to time pursuant to a written order of the Company delivered to the Trustee for the authentication and delivery of Debentures pursuant to Section 2.04 of the Original Indenture.

The Debentures shall be issued in fully registered form without coupons.

The Debentures shall be in substantially the form set out in Exhibit A hereto, and the form of the Trustee's Certificate of Authentication for the Debentures shall be in substantially the form set forth in Exhibit B hereto.

Each Debenture shall be dated the date of authentication thereof and shall bear interest from the Original Issue Date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

Section 1.02 Definitions. The following defined terms used herein shall, unless the context otherwise requires, have the meanings specified below. Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Original Indenture.

(a) The following terms have the meanings given to them in this Section 1.02(a):

" Applicable Conversion Price " means, as of any date of determination, the aggregate principal amount per \$1,000 principal amount of Debentures as of such date of determination divided by the Conversion Rate in effect as of such date of determination.

" Applicable Five Day Trading Period " shall have the meaning set forth in Section 1.03(c).

" Average Sale Price " shall have the meaning set forth in Section 2.08.

" Bid Agent " means a bid solicitation agent appointed by the Company to act in such capacity for the purposes of Section 1.03(c), provided that such agent shall not be an Affiliate of the Company. The Bid Agent appointed by the Company shall initially be the Trustee.

" Capital Stock " for any corporation means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated, whether voting or non-voting) corporate stock or similar interests issued by that corporation.

" Cash Dividends " shall have the meaning set forth in Section 1.03(c).

" Clearing Agency " means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as a depository with respect to the Global Debentures and in whose name, or in the name of a nominee of that organization, shall be registered a global security evidencing the respective rights and obligations of holders in respect of the Global Debentures and which shall undertake to effect book entry transfers of the Global Debentures.

" Clearing Agency Participant " means a broker, dealer, bank, other financial institution or other Person for whom from time to time the Clearing Agency maintains a direct or indirect custodial relationship or effects book entry transfers of securities deposited with the Clearing Agency.

" Change in Control " shall have the meaning set forth in Section 3.08(a).

" Change in Control Notice " shall have the meaning set forth in Section 3.08(b).

" Change in Control Purchase Date " shall have the meaning set forth in Section 3.08(a).

" Change in Control Purchase Notice " shall have the meaning set forth in Section 3.08(c).

" Change in Control Purchase Price " shall have the meaning set forth in Section 3.08(a).

" Common Stock " means the common stock, par value \$1.00 per share, of the Company existing on the date of this Indenture or any other Capital Stock of the Company into which such common stock shall be reclassified or changed.

" Company Notice " shall have the meaning set forth in Section 3.07(e).

" Company Notice Date " shall have the meaning set forth in Section 3.07(e).

" Contingent Interest Period " shall have the meaning set forth in Section 1.03(c).

" Contingent Interest Record Date " shall have the meaning set forth in Section 1.03(c).

" Conversion Agent " means the office or agency designated by the Company where Debentures may be presented for conversion, which, initially, shall be the Trustee at its Corporate Trust Office.

" Conversion Date " shall have the meaning set forth in Section 2.02.

" Conversion Rate " shall have the meaning set forth in Section 2.01.

" Coupon Rate " shall have the meaning set forth in Section 1.03(b).

" Debentures " shall have the meaning specified in Section 1.01.

" Debenture Price " shall have the meaning specified in Section 1.03(c).

" Expiration Time " shall have the meaning set forth in Section 2.09.

" Exchange Act " means the Securities Exchange Act of 1934, as amended.

" Global Debentures " shall have the meaning set forth in Section 1.05.

" Holder" means a person in whose name a Debenture is registered on the security registrar's books kept for that purpose in accordance with the terms of the Indenture.

" Interest Payment Date " shall have the meaning set forth in Section 1.03(b).

" Market Price " shall have the meaning set forth in Section 3.07(d).

" NYSE " means The New York Stock Exchange.

" Original Issue Date " means August 26, 2002.

" Paying Agent " shall have the meaning set forth in Section 1.06.

" Purchase Agreement " means the Purchase Agreement dated August 20, 2002, between the Company and Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc., as the initial purchasers.

" Purchase Date " shall have the meaning set forth in Section 3.07(a).

" Purchase Notice " shall have the meaning set forth in Section 3.07(a).

" Purchase Price " shall have the meaning set forth in Section 3.07(a).

" Purchased Shares " shall have the meaning set forth in Section 2.09.

" Redemption Date " or " redemption date " shall mean the date specified in a notice of redemption on which the Debentures may be redeemed in accordance with the terms of the Debentures and this Indenture.

" Redemption Price " or " redemption price " shall have the meaning set forth in the Debentures.

" Reference Date " shall have the meaning set forth in Section 2.10.

" Registration Default Damages " shall have the meaning set forth in Section 1.03(b).

" Registration Rights Agreement " means the Registration Rights Agreement dated as of August 26, 2002, between the Company and Banc of America Securities LLC, J.P. Morgan Securities Inc. and Wachovia Securities, Inc., as the initial purchasers under the Purchase Agreement.

" Regular Record Date " means, with respect to any Interest Payment Date for the Debentures, the close of business on the fifteenth day of the month immediately preceding the month in which such Interest Payment Date falls.

" Restricted Debentures Legend " shall have the meaning set forth in Section 1.07.

" Sale Price " of the Common Stock on any date means the closing sale price per share (or, if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid prices and the average ask prices) of the

Common Stock on such date as reported in the composite transactions for the principal United States securities exchange on which the Common Stock is traded or, if the Common Stock is not listed on a United States national or regional securities exchange, as reported on the Nasdaq Stock Market. If the Common Stock is not listed for trading on a United States national or regional securities exchange and not reported on the Nasdaq Stock Market on the relevant date, the Sale Price shall be the last quoted bid price for the Common Stock in the over-the-counter market on the relevant date as reported by the National Quotation Bureau or similar organization. If the bid price is not available, the Sale Price shall be the market value for the Common Stock on the relevant date as determined by a nationally recognized independent investment banking firm retained by the Company for this purpose.

" Securities Act " means the Securities Act of 1933, as amended.

" Stated Maturity Date " shall have the meaning set forth in Section 1.03(a).

" Time of Determination " means the time and date of the earlier of (i) the determination of stockholders entitled to receive rights, warrants or options, or a distribution, in each case, to which Section 2.07 or 2.08 applies and (ii) the time (" Ex-Dividend Time ") immediately prior to the commencement of "ex-dividend" trading for such rights, warrants or options, or such distribution, on the NYSE or such other U.S. national or regional exchange or market on which the shares of Common Stock are then listed or quoted.

" Trading Day " or " trading day " means a day on which the Common Stock (i) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (ii) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

Section 1.03 Stated Maturity Date; Payment of Principal and Interest; Contingent Interest . (a) The date upon which the principal of the Debentures shall become due and payable at final maturity, together with any accrued and unpaid interest, is August 1, 2032 (the " Stated Maturity Date ").

(b) Each Debenture will bear interest at the rate of 4.75% per annum (the " Coupon Rate ") from the Original Issue Date until the principal thereof is paid or duly made available for payment and shall bear interest, to the extent permitted by law, compounded semi-annually, on any overdue principal and premium, if any, and on any overdue installment of interest at the Coupon Rate, payable semi-annually in arrears on February 1 and August 1 of each year (each, an " Interest Payment Date "), commencing on February 1, 2003, to the Person in whose name such Debenture, or any predecessor Debenture, is registered at the close of business on the Regular Record Date for such interest installment. If the Company does not comply with certain of its obligations under the Registration Rights Agreement, the Debentures shall, in accordance with Section 2(c) of the Registration Rights Agreement, accrue liquidated damages (" Registration Default Damages ") in addition to interest provided for in the prior sentence of this Section 1.03(b). For purposes of the Indenture as it relates to the Debentures and the form of Debentures contained herein, the term "interest" shall be deemed to include interest provided for in the first sentence of this Section 1.03(b), contingent interest, if any, as provided in Section 1.03 and Registration Default Damages, if any.

(c) (i) Subject to the accrual and record date provisions specified in this Section 1.03(c), the Company shall pay contingent interest in cash to the Holders during any six-month period (a " Contingent Interest Period ") from August 1 to January 31 and from February 1 to July 31, commencing with the six-month period beginning August 1, 2006, if the average Debenture Price for the Applicable Five Trading Day Period with respect to such Contingent Interest Period equals 120% or more of \$1,000 principal amount of Debentures.

(ii) The amount of contingent interest payable per \$1,000 principal amount of Debentures in respect of any Contingent Interest Period shall equal the greater of (x) Cash Dividends paid by the Company per share of Common Stock during that Contingent Interest Period multiplied by the number of shares of Common Stock into which \$1,000 principal amount of Debentures is convertible pursuant to Article 2 at the then applicable Conversion Rate as of the record date for such contingent interest and (y) .125% of the average Debenture Price for the Applicable Five Day Trading Period with respect to such Contingent Interest Period payable in the manner and the dates set forth in clause (iv) below.

(iii) Contingent interest, if any, will accrue and be payable to Holders as of the record date for the related Cash Dividend or, if no Cash Dividend is paid by the Company during any quarter within a Contingent Interest Period, to Holders as of the 15th day preceding the last day of the relevant Contingent Interest Period (each, a "Contingent Interest Record Date").

(iv) Pursuant to the foregoing provisions, in any Contingent Interest Period in which contingent interest is payable, the Company shall: (A) upon the first payment date for a Cash Dividend falling within such Contingent Interest Period, pay the Cash Dividend paid by the Company per share of Common Stock upon such date multiplied by the number of shares of Common Stock into which \$1,000 principal amount of Debentures is convertible pursuant to Article 2 at the then applicable Conversion Rate as of such date; (B) upon any subsequent payment date for a Cash Dividend falling within such Contingent Interest Period, or if no other subsequent payment date for a Cash Dividend falls within such Contingent Interest Period, on the last day of such period, pay the greater of (x) the subsequent Cash Dividend paid by the Company per share of Common Stock upon such date multiplied by the number of shares of Common Stock into which \$1,000 principal amount of Debentures is convertible pursuant to Article 2 at the then applicable Conversion Rate as of such date and (y) .125% of the average Debenture Price for the Applicable Five Day Trading Period with respect to such Contingent Interest Period minus the amounts previously paid in respect of such Debentures pursuant to clause (A) during such Contingent Interest Period and (C) if no payment date for a Cash Dividend falls within such Contingent Interest Period, on the last date of such period, pay .125% of the average Debenture Price for the Applicable Five Day Trading Period with respect to such Contingent Interest Period (each payment date described in clause (A), (B) or (C) an "Interest Payment Date" with respect to contingent interest).

(v) Upon determination that Holders will be entitled to receive contingent interest which may become payable during a Contingent Interest Period, on or prior to the first day of such Contingent Interest Period, the Company shall issue a press release through Dow Jones & Company, Inc. or Bloomberg Business News information with respect to the payment of contingent interest or publish such information on its web site or such other public medium as the Company may use at that time.

" Applicable Five Day Trading Period " means, with respect to any Contingent Interest Period, the five trading days ending on the second trading day immediately preceding the first day of such Contingent Interest Period; provided, however, if the Company shall have declared a Cash Dividend on its Common Stock that is payable during such Contingent Interest Period for which the record date for determining stockholders entitled thereto precedes the first day of such Contingent Interest Period, then "Applicable Five Day Trading Period" means, with respect to such Contingent Interest Period, the five trading days ending on the second trading day immediately preceding such record date.

" Cash Dividends " means all cash dividends on the Common Stock (whether regular, periodic, extraordinary, special, nonrecurring or otherwise) as declared by the Company's Board of Directors.

" Debenture Price " means, as of any date of determination, the average of the secondary market bid quotations per \$1,000 principal amount of Debentures obtained by the Bid Agent for \$10,000,000 of Debentures at approximately 4:00 p.m. (New York City time) on such determination date from three unaffiliated recognized securities dealers in The City of New York (none of which shall be an Affiliate of the Company) selected by the Company; provided, however, if (a) at least three such bids are not obtained by the Bid Agent or (b) in the Company's reasonable judgment, the bid quotations are not indicative of the secondary market value of the Debentures as of such determination date, then the Debenture Price for such determination date shall equal (i) the Conversion Rate in effect as of such determination date multiplied by (ii) the average Sale Price for the five trading days ending on such determination date, appropriately adjusted to take into account the occurrence, during the period commencing on the first of such trading days during such five trading day period and ending on such determination date, of any event described in Section 2.06, 2.07, 2.08, 2.09 or 2.10 (subject to the conditions set forth in Article 2).

(d) The amount of interest payable for any period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Except as provided in the following sentence, the amount of interest or contingent interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the actual number of days elapsed in such a 180-day period. If any Interest Payment Date, the Stated Maturity Date, any Redemption Date, any Purchase Date or any Change in Control Purchase Date falls on a day that is not a Business Day, then the required payment of principal, premium, if any, or interest payable on such date will be made on the next succeeding day that is a Business Day, without any interest or other payment in respect of such delay, except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such Interest Payment Date, Stated Maturity Date, Redemption Date, Purchase Date or Change in Control Purchase Date.

Payment of principal of, premium, if any, and interest or contingent interest on the Debentures shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Principal of, premium, if any, and interest or contingent interest on the Debentures will be payable at the office or agency of the Company maintained for such purpose as described in Section 1.06 below; provided, however, that payment of interest or contingent interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear in the security register for the Debentures.

Payments of principal of, premium, if any, and interest or contingent interest on Global Debentures shall be made by wire transfer of immediately available funds to the Holder of such Global Debentures; provided that, in the case of payments of principal and premium, if any, such Global Debentures are first surrendered to the Paying Agent.

Section 1.04 Form; Denominations . Except as provided in Section 1.05, the Debentures shall be issued in fully registered definitive form without interest coupons, bearing identical terms. The Debentures shall be issuable in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

Section 1.05 Global Debentures . Except as set forth in this Section 1.05, the Debentures will be issued in the form of one or more global securities (the " Global Debentures ") registered in the name of the Clearing Agency or its nominee. Except as set forth in Section 1.07, the Global Debentures (and any shares of Common Stock issuable upon conversion thereof) shall bear the Restricted Debentures Legend. Unless and until they are exchanged for Debentures in definitive registered form as described below, such Global Debentures may be transferred, in whole but not in part, only to the Clearing Agency or a nominee of the Clearing Agency, or to a successor Clearing Agency selected or approved by the Company or to a nominee of such successor Clearing Agency.

If at any time (i) the Clearing Agency notifies the Company that it is unwilling or unable to continue as a Clearing Agency for the Global Debentures and no successor Clearing Agency shall have been appointed within 90 days after such notification, (ii) the Clearing Agency at any time ceases to be a clearing agency registered under the Exchange Act at any time the Clearing Agency is required to be so registered to act as such Clearing Agency and no successor Clearing Agency shall have been appointed within 90 days after the Company becoming aware of the Clearing Agency ceasing to be so registered, (iii) the Company, in its sole discretion, determines that the Global Debentures shall be so exchangeable, or (iv) there is an Event of Default with respect to the Debentures, the Company will execute, and, subject to Article II of the Original Indenture, the Trustee, upon receipt of a written order therefor, will authenticate and deliver the Debentures

in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Debenture or Debentures in exchange for such Global Debenture or Debentures. Upon exchange of the Global Debenture or Debentures for such Debentures in definitive registered form without coupons, in authorized denominations, the Global Debenture or Debentures shall be cancelled by the Trustee. Such Debentures in definitive registered form issued in exchange for the Global Debenture or Debentures shall be registered in such names and in such authorized denominations, and shall contain such restrictive or other legends pursuant to instructions from its direct or indirect participants or otherwise, as the Clearing Agency shall instruct the Trustee. The Trustee shall deliver such Debentures to the Clearing Agency for delivery to the Persons in whose names such Debentures are so registered.

Section 1.06 Paying Agent; Transfer Agent; Place of Payment. (a) The paying agent for the Debentures shall initially be the Trustee (in such capacity, the "Paying Agent"), and the place of payment for the Debentures shall initially be the Corporate Trust Office, which as of the date hereof for such purpose is located at 1500 North 18th Street, Monroe, Louisiana 71201. Principal of, premium, if any, and interest or contingent interest with respect to certificated Debentures will be payable at the office or agency of the Company maintained for such purpose in the City of Monroe, State of Louisiana or the Borough of Manhattan, the City and State of New York. The Trustee shall also serve as security registrar for the purpose of registering Debentures and transfers or exchanges of Debentures in accordance with the terms of the Indenture.

(b) The Company may from time to time designate one or more additional offices or agencies where Debentures may be presented or surrendered for payment or may be surrendered for registration of transfer or exchange in accordance with Section 4.02 of the Original Indenture; provided that the Company shall at all times maintain a Paying Agent and an office or agency where Debentures may be surrendered for registration of transfer or exchange or conversion, in each case in the Borough of Manhattan, the City and State of New York.

Section 1.07 Restricted Debentures Legend. Except in connection with an effective shelf registration statement contemplated by and in accordance with the terms of the Registration Rights Agreement, if Debentures are issued upon the registration of transfer, exchange or replacement of Debentures bearing a legend or legends restricting the transfer of the Debentures, substantially in the form set forth in Exhibit A hereto (such legend or legends, collectively, a "Restricted Debentures Legend"), or if a request is made to remove such a Restrictive Debentures Legend on Debentures, the Debentures so issued shall bear the Restricted Debentures Legend, or a Restricted Debentures Legend shall not be removed, as the case may be, unless there is delivered to the Company such satisfactory evidence, which, in the case of a transfer made pursuant to Rule 144 under the Securities Act, may include an opinion of counsel, as may be reasonably required by the Company, that neither the Restricted Debentures Legend nor the restrictions on transfer set forth therein are required to ensure that transfers thereof comply with the provisions of Rule 144A under the Securities Act and that such Debentures are not "restricted" within the meaning of Rule 144A under the Securities Act. Upon provision to the Company of such satisfactory evidence, the Trustee or Authenticating Agent, at the written direction of the Company, shall authenticate and deliver Debentures that do not bear the legend. Shares of Common Stock issuable upon conversion of the Debentures pursuant to the terms hereof shall be subject to the transfer restrictions set forth in the Restricted Debentures Legend. Transfers of beneficial interests between any Global Debenture containing the Restricted Debenture Legend and any Global Debenture that does not contain the Restricted Debenture Legend will be effected pursuant to the terms of the Indenture and the customary procedures of the Clearing Agency and shall be reflected by endorsements of the Trustee, as custodian for the Clearing Agency, on the schedule attached to the applicable Debentures.

Section 1.08 No Sinking Fund. The Debentures are not entitled to the benefit of any sinking fund.

ARTICLE 2

CONVERSION

Section 2.01 Conversion Privilege. A Holder of a Debenture may convert such Debenture into shares of Common Stock as set forth in and pursuant to this Supplemental Indenture and such Debenture at any time on or before noon, New York time, on the Business Day immediately preceding the Stated Maturity Date if at least one of the following conditions is satisfied on the Conversion Date irrespective of whether the Debentures may otherwise be convertible on such date:

(a) at any time at the option of the Holder if the average Sale Price for the last 20 Trading Days in the preceding calendar quarter equals or exceeds 120% of the Applicable Conversion Price;

(b) at any time if the credit rating assigned to the Debentures is reduced to Ba2 or lower by Moody's Investors Service, Inc. or BB+ or lower by Standard & Poor's Ratings Services;

(c) if the Debentures have been called for redemption by the Company, at any time prior to the close of business on the second Business Day immediately prior to the Redemption Date;

(d) the Company becomes a party to a consolidation, merger or binding share exchange pursuant to which the Common Stock would be converted into cash, securities or other property, in which case a Holder may surrender Debentures for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual effective date of such transaction; or

(e) the Company elects to (i) distribute to all holders of Common Stock rights entitling them to purchase, for a period expiring

within 60 days after the date of such distribution, shares of Common Stock at less than the Sale Price on the date of such distribution or (ii) distribute to all holders of Common Stock assets, debt securities or rights to purchase securities of the Company, which distribution has a per share value as determined by the Company's Board of Directors exceeding 10% of the Sale Price on the day preceding the declaration date for such distribution. In the case of the foregoing clauses (i) and (ii), the Company must notify the Holders of Debentures at least 20 days prior to the ex-dividend date for such distribution. Once the Company has given such notice, Holders may surrender their Debentures for conversion at any time thereafter until the earlier of the close of business on the Business Day prior to the ex-dividend date or the Company's announcement that such distribution will not take place; provided, however, that a Holder of Debentures may not exercise its right to conversion if such Holder will or may otherwise participate in such distribution without conversion.

The number of shares of Common Stock issuable upon conversion of a Debenture per \$1,000 aggregate principal amount thereof (the "Conversion Rate") shall be 24.7188, subject to adjustment as herein set forth. The Company shall notify the Trustee of the date on which the Debentures first become convertible, in the form of an Officers' Certificate, which Officers' Certificate shall set forth the calculations on which such determination was made.

A Holder may convert a portion of the principal amount of a Debenture if the portion converted is in a \$1,000 principal amount or an integral multiple of \$1,000. Provisions of this Indenture that apply to conversion of all of a Debenture also apply to conversion of a portion of a Debenture.

In the event that the Ex-Dividend Time (or in the case of a subdivision, combination or reclassification, the effective date with respect thereto) with respect to a dividend, subdivision, combination or reclassification to which Section 2.06 applies, with respect to rights, warrants or other options to which Section 2.07 applies, or with respect to a distribution to which Section 2.08 applies, occurs during the period or on the date applicable for calculating the "Sale Price" or "Average Sale Price," then "Sale Price" or "Average Sale Price" shall be calculated in a manner determined by the Company's Board of Directors to reflect the impact of such dividend, subdivision, combination or reclassification, issuance of rights, warrants or other options or distribution on the Sale Price of the shares of Common Stock.

Section 2.02 Conversion Procedures. To convert a Debenture a Holder must satisfy the requirements set forth in this Supplemental Indenture and in the Debentures. The first Business Day on which the Holder satisfies all those requirements and submits such Holder's Debentures for conversion is the conversion date (the "Conversion Date").

As soon as practicable after the Conversion Date, the Company shall deliver to the Holder, through the Conversion Agent, a certificate for the number of full shares of Common Stock issuable upon the conversion and cash in lieu of any fractional share determined pursuant to Section 2.03. The person in whose name the certificate for the Debentures is registered shall be treated as a shareholder of record of the Company as of the close of business on the Conversion Date. Upon conversion of a Debenture in its entirety, such person shall no longer be a Holder of such Debenture.

No payment or adjustment will be made for dividends on, or other distributions with respect to, any shares of Common Stock except as provided in this Article 2. Upon conversion of a Debenture, except as provided below with respect to interest payable on Debentures or portions thereof converted after a Regular Record Date and those called for redemption, that portion of accrued and unpaid interest on the converted Debentures attributable to the period from the most recent Interest Payment Date through the Conversion Date shall not be cancelled, extinguished or forfeited, but rather shall be deemed to be paid in full to the Holder thereof through delivery of the shares of Common Stock (together with the cash payment, if any, in lieu of fractional shares) for the Debenture being converted pursuant to the provisions hereof. The Company will not adjust the Conversion Rate to account for accrued interest, if any. If the Holder converts more than one Debenture at the same time, the number of shares of Common Stock issuable upon the conversion shall be based on the aggregate principal amount of the Debentures converted.

The Debentures or portions thereof surrendered for conversion during the period from the close of business on any Regular Record Date immediately preceding any Interest Payment Date to the opening of business on such Interest Payment Date shall (unless such Debentures or portions thereof have been called for redemption on a Redemption Date within such period) be accompanied by payment to the Company or its order, in same day funds or other funds acceptable to the Company, of an amount equal to the cash interest payable on such Interest Payment Date on the principal amount of the Debentures or portions thereof being surrendered for conversion.

If the last day on which a Debenture may be converted is not a Business Day, the Debenture may be surrendered on the next succeeding day that is a Business Day.

Upon surrender of a Debenture that is converted in part, the Company shall execute, and the Trustee shall authenticate and deliver to the Holder, a new Debenture in an authorized denomination equal in principal amount to the unconverted portion of the Debenture surrendered in accordance with the terms of the Indenture.

Section 2.03 Fractional Shares. The Company will not issue fractional shares of Common Stock upon conversion of a Debenture. Instead, the Company will pay cash based on the current market value for all fractional shares. The current market value of a fractional share shall be determined, to the nearest 1/1,000th of a share, by multiplying the Sale Price on the last trading day immediately prior to the Conversion Date of a full share by the fractional amount and rounding the product to the nearest whole cent.

Section 2.04 Taxes on Conversion. If a Holder submits a Debenture for conversion, the Company shall pay all stamp and all other duties, if any, which may be imposed by the United States or any political subdivision thereof or taxing authority thereof or therein with respect

to the issuance of shares of Common Stock upon the conversion. However, the Holder shall pay any such tax which is due because the Holder requests the shares to be issued in a name other than the Holder's name. The Conversion Agent may refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the Holder's name until the Conversion Agent receives a sum sufficient to pay any tax which will be due because such shares are to be issued in a name other than the Holder's name. Nothing herein shall preclude any tax withholding required by law or regulations.

Section 2.05 Company to Provide Common Stock. The Company shall, prior to issuance of any Debentures, and from time to time as may be necessary, reserve out of its authorized but unissued shares of Common Stock a sufficient number of shares of Common Stock to permit the conversion of the Debentures.

All shares of Common Stock delivered upon conversion of the Debentures shall be newly issued shares or treasury shares, shall be duly and validly issued and fully paid and nonassessable, and shall be free from preemptive rights and free of any lien or adverse claim. The Company will endeavor promptly to comply with all federal and state securities laws regulating the offer and delivery of shares of Common Stock upon conversion of Debentures, if any, and will list or cause to have quoted such shares of Common Stock on each national securities exchange or in the over-the-counter market or such other market on which the shares of Common Stock are then listed or quoted.

Section 2.06 Adjustment for Change in Capital Stock. Subject to Section 2.16, if, after the Original Issue Date, the Company:

- (1) pays a dividend or makes another distribution on its Common Stock to all holders of its Common Stock payable exclusively in shares of its Common Stock;
- (2) subdivides the outstanding shares of its Common Stock into a greater number of shares of Common Stock;
- (3) combines the outstanding shares of its Common Stock into a smaller number of shares of Common Stock; or
- (4) issues by reclassification of its Common Stock any shares of Capital Stock,

then the conversion privilege and the Conversion Rate in effect immediately prior to such action shall be adjusted so that the Holder of a Debenture thereafter converted may receive the number of shares of Capital Stock of the Company which such Holder would have owned immediately following such action if such Holder had converted the Debenture immediately prior to the record date for such action.

The adjustment shall become effective immediately after the record date in the case of a dividend or distribution and immediately after the effective date in the case of a subdivision, combination or reclassification, but shall be rescinded if any such transaction is not consummated.

If after an adjustment a Holder of a Debenture upon conversion of such Debenture may receive shares of two or more classes of Capital Stock of the Company, the Conversion Rate shall thereafter be subject to adjustment upon the occurrence of an action taken with respect to any such class of Capital Stock as is contemplated by this Article 2 with respect to the shares of Common Stock, on terms comparable to those applicable to shares of Common Stock in this Article 2.

Section 2.07 Adjustment for Rights Issue. If, after the Original Issue Date, the Company issues rights or warrants to all holders of its Common Stock entitling them to purchase shares of its Common Stock at a price per share less than the Sale Price per share of Common Stock at the Time of Determination, unless the Holders may participate in such transaction on a basis and with notice that the Company's board of directors determines to be fair and appropriate, the Conversion Rate in effect immediately prior thereto shall be adjusted to equal a rate determined by multiplying the Conversion Rate in effect immediately prior to the date of the issuance of such rights or warrants by a fraction of which the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for purchase, and of which the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Sale Price. Such adjustment shall be made successively whenever any such rights or warrants are issued, and shall become effective immediately after the opening of business on the day following the Time of Determination; provided, however, that if such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such Time of Determination had not been fixed. To the extent that shares of Common Stock are not delivered after the cancellation or expiration of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate which would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. In determining whether any rights or warrants entitle the stockholders to purchase shares of Common Stock at less than such Sale Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants, the value of such consideration, if other than cash, to be determined by the Company's Board of Directors.

Section 2.08 Adjustment for Other Distributions. Except as provided in Section 2.12, if, after the Original Issue Date, the Company distributes to all holders of its shares of Common Stock any of its debt, securities or assets or any rights, warrants or options to purchase securities of the Company (including securities or cash, but excluding (x) distributions of rights, warrants or options referred to in Section 2.07, (y) dividends and other distributions paid exclusively in cash and (z) Cash Dividends or other cash distributions from current or retained earnings unless the annualized amount thereof per share exceeds 10% of the Sale Price of the shares of Common Stock on the day

preceding the date of the declaration of such dividend or distribution, and unless the Holders of Debentures may participate in the distribution without conversion), the Conversion Rate shall be adjusted, subject to the provisions of the last paragraph of this Section 2.08, in accordance with the formula:

$$R' = R \times \frac{M}{(M - F)}$$

where:

R' = the adjusted Conversion Rate

R = the current Conversion Rate

M = the Average Sale Price

F = the fair market value (on the record date for the distribution to which this Section 2.08 applies) of the assets, securities, rights, warrants or options to be distributed in respect of each share of Common Stock in the distribution to which this Section 2.08 is being applied (including, in the case of cash dividends or other cash distributions giving rise to an adjustment, all such cash distributed concurrently).

" Average Sale Price " means the average of the Sale Prices of the shares of Common Stock for the shorter of:

- (i) 30 consecutive Trading Days ending on the last full Trading Day prior to the Time of Determination with respect to the distribution for which an adjustment is being made under this Section 2.8;
- (ii) the period (x) commencing on the date next succeeding the first public announcement of the distribution for which an adjustment is being made under this Section 2.8 and (y) proceeding through the last full trading day prior to the Time of Determination with respect to such distribution (excluding days within such period, if any, which are not Trading Days); or
- (iii) the period, if any, (x) commencing on the date next succeeding the Ex-Dividend Time with respect to the next preceding (a) issuance of rights, warrants or options or (b) distribution, in each case, for which an adjustment is required by the provisions of Section 2.07, 2.08 or 2.09 and (y) proceeding through the last full trading day prior to the Time of Determination with respect to the distribution in respect of which the Average Sale Price is being calculated (excluding days within such period, if any, which are not Trading Days).

In the event the Company distributes shares of Capital Stock of a Subsidiary, the Conversion Rate will be adjusted, if at all, based on the market value of the Subsidiary stock so distributed relative to the market value of the Common Stock, as discussed below. The Board of Directors of the Company shall determine fair market values for the purposes of this Section 2.08, except that in respect of a dividend or other distribution of shares of Capital Stock of any class or series, or similar equity interests, of or relating to a Subsidiary or other business unit of the Company (a " Spin-off "), the fair market value of the securities to be distributed shall equal the average of the daily closing sales prices of those securities for the five consecutive Trading Days commencing on and including the sixth Trading Day of those securities after the effectiveness of the Spin-off and the Average Sale Price shall mean the average Sale Prices for the Common Stock for the same five Trading Days. In the event, however, that an underwritten initial public offering of the securities in the Spin-off occurs simultaneously with the Spin-off, fair market value of the securities distributed in the Spin-off shall mean the initial public offering price of such securities and the Average Sale Price, for purposes of this sentence, shall mean the Sale Price for the Common Stock on the same Trading Day.

The adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive the distribution to which this Section 2.08 applies, except that an adjustment related to a Spin-off shall become effective at the earlier to occur of (i) ten Trading Days after the effective date of the Spin-off and (ii) the initial public offering of the securities distributed in the Spin-off. If such distribution is not consummated, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if the foregoing adjustments had not been made.

If, upon the date prior to the Ex-Dividend Time with respect to a cash dividend on the shares of Common Stock referred to in clause (z) above, the aggregate amount of such cash dividend gives rise to an adjustment of the Conversion Rate, then such cash dividend together with all such other cash dividends and distributions shall, for purposes of applying the formula set forth above in this Section 2.08, cause the value of "F" to equal (y) the aggregate amount of such cash dividend and other cash dividends and distributions, minus (z) the aggregate amount of all cash dividends or other cash distributions during the preceding 365 days for which an adjustment in the Conversion Rate was previously made.

In the event that, with respect to any distribution to which this Section 2.08 would otherwise apply, the difference "M-F" as defined in the above formula is less than \$1.00 or "F" is equal to or greater than "M", then the adjustment provided by this Section 2.08 shall not be made and in lieu thereof the provisions of Section 2.16 shall apply to such distribution.

Section 2.09 Adjustment for Self Tender Offer. If, after the Original Issue Date, the Company or any Subsidiary of the Company

pays holders of the Company's Common Stock in respect of a tender or exchange offer, other than an odd-lot offer, by the Company or any of its Subsidiaries for the Common Stock consideration per share of Common Stock having a fair market value, as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive that, combined together with (1) the aggregate of the cash plus the fair market value, as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive, as of the expiration of such tender offer, of consideration payable in respect of any other tender offers, by the Company or any of its Subsidiaries for all or any portion of the Common Stock, expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this Section 2.09 has been made and (2) the aggregate amount of any all-cash distributions to all or substantially all holders of the Common Stock within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to Section 2.10 has been made, exceeds an amount equal to 10% of the product of the Sale Price as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) at the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Rate shall be adjusted so that it shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the close of business on the date of the Expiration Time by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding, including any Purchased Shares (as defined below), at the Expiration Time multiplied by the Sale Price of the Common Stock on the trading day next succeeding the Expiration Time and the denominator shall be the sum of (x) the fair market value (determined as aforesaid) of the aggregate consideration payable to stockholders based on the acceptance (up to any maximum specified in the terms of the tender offer) of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Common Stock outstanding, less any Purchased Shares, at the Expiration Time and the Sale Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such adjustment (if any) to become effective immediately prior to the opening of business on the day following the Expiration Time. If the Company is obligated to purchase shares pursuant to any such tender offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate which would then be in effect if such tender offer had not been made.

Section 2.10 Adjustment for Cash Distribution. If the Company shall, by dividend or otherwise, distribute cash to all holders of its Common Stock in an aggregate amount that, combined together with (1) the aggregate of any cash plus the fair market value, as determined in good faith by the Board of Directors of the Company, whose determination shall be conclusive, of consideration payable in respect of any tender offer by the Company or any of its Subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to Section 2.09 has been made, and (2) the aggregate amount of any other such all-cash distributions to all or substantially all holders of its Common Stock made within the 12 months preceding the date of payment of such distribution, and in respect of which no adjustment pursuant to this Section 2.10 has been made, exceeds an amount equal to 10% of the product of the Sale Price on the Business Day immediately preceding the date on which the Company declares such distribution (the "Reference Date") times the number of shares of Common Stock outstanding on such Reference Date, then, and in each such case, immediately after the close of business on such Reference Date, the Conversion Rate shall be adjusted so that it shall equal the price determined by multiplying the Conversion Rate in effect immediately prior to the close of business on such Reference Date by a fraction (i) the numerator of which shall be equal to the Sale Price on the Reference Date less an amount equal to the quotient of (x) the excess of such combined amount over such 10% divided by (y) the number of shares of Common Stock outstanding on the Reference Date and (ii) the denominator of which shall be equal to the Sale Price on such Reference Date; provided, however, that if the portion of the cash so distributed applicable to one share of Common Stock is equal to or greater than the Sale Price of the Common Stock on the Reference Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Debentures shall have the right to receive upon conversion of a Debenture (or any portion thereof) the amount of cash such holder would have received had such holder converted such Debenture (or portion thereof) immediately prior to such Reference Date. If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been declared.

Section 2.11 When Adjustment May Be Deferred. No adjustment in the Conversion Rate need be made unless the adjustment would require an increase or decrease of at least 1% in the Conversion Rate. Any adjustments that are not made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article 2 shall be made to the nearest cent or to the nearest 1/1,000th of a share, as the case may be.

Section 2.12 When No Adjustment Required. No adjustment to the Conversion Rate need be made as a result of:

(1) (i) the issuance of the rights; (ii) the distribution of separate certificates representing the rights; (iii) the exercise or redemption of the rights in accordance with any rights agreement; or (iv) the termination or invalidation of the rights, in each case, pursuant to the Company's existing shareholders rights plan, as amended, modified, or supplemented from time to time, or any newly adopted shareholders rights plans;

(2) the issuance of any shares of Common Stock pursuant to any present or future plan providing for the reinvestment of dividends or interest payable on securities of the Company and the investment of additional optional amounts in shares of Common Stock under any such plan;

(3) the issuance of any shares of Common Stock or options or rights to purchase those shares pursuant to any present or future employee, director or consultant benefit plan or program of or assumed by the Company or any of its Subsidiaries;

(4) the issuance of any shares of Common Stock pursuant to any option, warrant, right or exercisable, exchangeable or convertible security outstanding as of the Original Issue Date; or

(5) the occurrence or nonoccurrence of any event, condition or transaction other than those specifically described in this Article 2.

To the extent the Debentures become convertible pursuant to this Article 2 in whole or in part into cash, no adjustment need be made thereafter as to the cash. Interest will not accrue on the cash.

Section 2.13 Notice of Adjustment. Whenever the Conversion Rate is adjusted, the Company shall promptly mail to Holders a notice of the adjustment. The Company shall file with the Trustee and the Conversion Agent such notice briefly stating the facts requiring the adjustment and the manner of computing it. The certificate shall be conclusive evidence that the adjustment is correct. Neither the Trustee nor any Conversion Agent shall be under any duty or responsibility with respect to any such certificate except to exhibit the same to any Holder desiring inspection thereof.

Section 2.14 Voluntary Increase. The Company from time to time may increase the Conversion Rate by any amount at any time for at least 20 days, so long as the increase is irrevocable during such period. Whenever the Conversion Rate is voluntarily increased, the Company shall mail to the Holders of Debentures and file with the Trustee and the Conversion Agent a notice of the increase. The Company shall mail the notice at least 15 days before the date the increased Conversion Rate takes effect. The notice shall state the increased Conversion Rate and the period it will be in effect. A voluntary increase of the Conversion Rate does not change or adjust the Conversion Rate otherwise in effect for purposes of Section 2.06, 2.07 or 2.08.

Section 2.15 Notice of Certain Transactions. If:

(1) the Company takes any action that would require an adjustment in the Conversion Rate pursuant to Section 2.06, 2.07, 2.08, 2.09 or 2.10 (unless no adjustment is to occur pursuant to Section 2.12); or

(2) the Company takes any action that would require a supplemental indenture pursuant to Section 2.16; or

(3) there is a liquidation or dissolution of the Company;

then the Company shall mail to Holders and file with the Trustee and the Conversion Agent a notice stating the proposed record date for the dividend, distribution or subdivision or the proposed effective date of a combination, reclassification, consolidation, merger, binding share exchange, transfer, liquidation or dissolution giving rise to the adjustment. The Company shall file and mail the notice at least 15 days before such date. Failure to file or mail the notice or any defect in it shall not affect the validity of the transaction.

Section 2.16 Reorganization of Company; Special Distributions. If the Company is a party to a transaction subject to Article X of the Original Indenture (other than a sale of all or substantially all of the assets of the Company in a transaction in which the holders of shares of Common Stock immediately prior to such transaction do not receive securities, cash or other assets of the Company or any other person) or a merger or binding share exchange which reclassifies or changes its outstanding shares of Common Stock, the person obligated to deliver securities, cash or other assets upon conversion of Debentures shall enter into a supplemental indenture. If the issuer of securities deliverable upon conversion of Debentures is an Affiliate of the successor Company, that issuer shall join in the supplemental indenture.

The supplemental indenture shall provide that the Holder of a Debenture may convert it into the kind and amount of securities, cash or other assets which such Holder would have received immediately after the consolidation, merger, binding share exchange or transfer if such Holder had converted the Debenture immediately before the effective date of the transaction, assuming (to the extent applicable) that such Holder (i) was not a constituent person or an Affiliate of a constituent person to such transaction; (ii) made no election with respect thereto; and (iii) was treated alike with the plurality of non-electing Holders. The supplemental indenture shall provide for future adjustments which shall be as nearly equivalent as may be practical to the adjustments provided for in this Article 2. The successor corporation shall mail to Holders a notice briefly describing the supplemental indenture.

If this Section applies, Section 2.06 shall not apply.

If the Company makes a distribution to all holders of its shares of Common Stock of any of its assets, or debt securities or any rights, warrants or options to purchase securities of the Company that, but for the provisions of the last paragraph of Section 2.08, would otherwise result in an adjustment in the Conversion Rate pursuant to the provisions of Section 2.08, then, from and after the record date for determining the holders of shares of Common Stock entitled to receive the distribution, a Holder of a Debenture that converts such Debenture in accordance with the provisions of this Indenture shall upon such conversion be entitled to receive, in addition to the shares of Common Stock into which the Debenture is convertible, the kind and amount of securities, cash or other assets comprising the distribution that such Holder would have received if such Holder had converted the Debenture immediately prior to the record date for determining the holders of shares of Common Stock entitled to receive the distribution.

Section 2.17 Company Determination Final. Any determination that the Company or the Board of Directors must make pursuant to this Article (including under Section 2.03, 2.06, 2.07, 2.08, 2.09, 2.10, 2.11, 2.12, 2.16 or 2.18) is conclusive, absent manifest error.

Section 2.18 Trustee's Adjustment Disclaimer. (a) The Trustee shall, on behalf of the Company, determine at the end of each fiscal quarter whether the Debentures are convertible under Section 2.01(a), and shall notify the Company of its determination.

(b) Except as otherwise provided in paragraph (a) above, the Trustee has no duty to determine when an adjustment under this Article 2 should be made, how it should be made or what it should be. The Trustee has no duty to determine whether a supplemental indenture under Section 2.16 is required or whether any provisions of any supplemental indenture are correct. The Trustee shall not be accountable for and makes no representation as to the validity or value of any securities or assets issued upon conversion of Debentures. The Trustee shall not be responsible for the Company's failure to comply with this Article 2. Each Conversion Agent shall have the same protection under this Section 2.18 as the Trustee. All calculations required under this Article 2 shall be performed by the Company, with notice thereof to the Trustee.

Section 2.19 Simultaneous Adjustments. In the event that this Article 2 requires adjustments to the Conversion Rate under more than one of Sections 2.06, 2.07, 2.08, 2.09 and 2.10 and the record dates for the distributions giving rise to such adjustments shall occur on the same date, then only one such adjustment shall be made so that the adjustment will be the amount of adjustment that has the highest absolute value to the Holders.

Section 2.20 Successive Adjustments. After an adjustment to the Conversion Rate under this Article 2, any subsequent event requiring an adjustment under this Article 2 shall cause an adjustment to the Conversion Rate as so adjusted.

ARTICLE 3

REDEMPTION AND PURCHASES

Section 3.01 Company's Right to Redeem; Notice to Trustee. The Company, at its option, may redeem the Debentures in accordance with the provisions and at the Redemption Prices set forth in the Debentures. If the Company elects to redeem Debentures pursuant to the provisions set forth in the Debentures, it shall notify the Trustee in writing of the Redemption Date, the principal amount of Debentures to be redeemed and the Redemption Price.

The Company shall give written notice to the Trustee of any such redemption containing the information provided for in Section 3.03 not less than 30 days nor more than 60 days before the Redemption Date (unless a shorter notice shall be satisfactory to the Trustee).

Section 3.02 Selection of Debentures to Be Redeemed. If less than all the Debentures are to be redeemed by the Company, unless the procedures of the Clearing Agency provide otherwise, the Trustee shall select the Debentures to be redeemed by lot, on a pro rata basis or by another method the Trustee considers fair and appropriate (so long as such method is not prohibited by the rules of any stock exchange on which the Debentures are then listed). The Trustee shall make the selection at least 35 days but not more than 60 days before the Redemption Date from outstanding Debentures not previously called for redemption.

Debentures and portions of Debentures that the Trustee selects for redemption shall be in principal amounts of \$1,000 or an integral multiple of \$1,000. Provisions of the Indenture that apply to Debentures called for redemption also apply to portions of Debentures called for redemption. The Trustee shall notify the Company promptly of the Debentures or portions of the Debentures to be redeemed.

If any Debenture selected for partial redemption is converted in part before termination of the conversion right with respect to the portion of the Debenture so selected, the converted portion of such Debenture shall be deemed (so far as may be) to be the portion selected for redemption. Debentures, which have been converted during a selection of Debentures to be redeemed, may be treated by the Trustee as outstanding for the purpose of such selection.

Section 3.03 Notice of Redemption. At least 30 days but not more than 60 days before the Redemption Date, the Company shall mail a notice of redemption by first-class mail, postage prepaid, to each Holder of Debentures to be redeemed.

The notice shall identify the Debentures to be redeemed and shall state:

- (1) the Redemption Date;
- (2) the Redemption Price;
- (3) the Conversion Rate;
- (4) the name and address of the Paying Agent and the Conversion Agent;
- (5) that Debentures called for redemption may be converted at any time before the close of business on the date that is two Business Days prior to the Redemption Date;
- (6) that Holders who want to convert their Debentures must satisfy the requirements set forth in this Supplemental Indenture and the Debentures;
- (7) that Debentures called for redemption must be surrendered to the Paying Agent at least two Business Days prior to the

Redemption Date to collect the Redemption Price;

(8) if fewer than all of the outstanding Debentures are to be redeemed, the certificate numbers, if any, and principal amounts of the particular Debentures to be redeemed;

(9) that, unless the Company defaults in making payment of such Redemption Price, interest, if any, on Debentures called for redemption will cease to accrue on and after the Redemption Date; and

(10) the CUSIP number(s) for the Debentures.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at the Company's expense, provided that the Company makes such request at least three Business Days prior to the date by which such notice of redemption must be given to Holders in accordance with this Section 3.03.

Section 3.04 Effect of Notice of Redemption. Once notice of redemption is given by or on behalf of the Company pursuant to Section 3.03, Debentures called for redemption become due and payable on the Redemption Date and at the Redemption Price stated in such notice except for Debentures which are converted in accordance with the terms of this Supplemental Indenture and the Debentures. Upon surrender to the Paying Agent, such Debentures shall be paid at the Redemption Price stated in such notice.

Section 3.05 Deposit of Redemption Price. Prior to 10:00 a.m. (New York City time), on the Redemption Date, the Company shall deposit with the Paying Agent (or if the Company or a Subsidiary or an Affiliate of either of them is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the Redemption Price of all Debentures to be redeemed on that date other than Debentures or portions of Debentures called for redemption which on or prior thereto have been delivered by the Company to the Trustee for cancellation or have been converted. The Paying Agent shall as promptly as practicable return to the Company any money not required for that purpose (because of conversion of Debentures or otherwise) pursuant to Article XI of the Original Indenture. If such money is then held by the Company in trust and is not required for such purpose it shall be discharged from such trust.

Section 3.06 Debentures Redeemed in Part. Subject to Section 1.05, upon surrender of a Debenture that is redeemed in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder a new Debenture in an authorized denomination equal in principal amount to the unredeemed portion of the Debenture surrendered.

Section 3.07 Purchase of Debentures by the Company at Option of the Holder.

(a) General. On the terms and subject to the conditions of this Section 3.07, Debentures shall be purchased by the Company at the option of the Holder on August 1, 2006, August 1, 2010 and August 1, 2017 (each, a "Purchase Date"), at a price equal to 100% of the principal amount of the Debentures to be purchased plus accrued and unpaid interest, if any, to such Purchase Date (the "Purchase Price"). Purchases of Debentures hereunder shall be made, at the option of the Holder thereof, upon:

(1) delivery to the Paying Agent by the Holder of a written notice of purchase (a "Purchase Notice") during the period beginning at any time from the opening of business on the date that is 20 Business Days prior to the relevant Purchase Date until the close of business on the last Business Day prior to such Purchase Date stating:

A. the certificate number of the Debenture which the Holder will deliver to be purchased or the appropriate Clearing Agency procedures to be complied with if Global Debentures are still outstanding,

B. the portion of the principal amount of the Debenture which the Holder will deliver to be purchased, which portion must be in principal amounts of \$1,000 or an integral multiple thereof,

C. that such Debenture shall be purchased by the Company as of the Purchase Date pursuant to the terms and conditions specified in the Debentures and in this Supplemental Indenture, and

D. for any purchases on or after August 1, 2010, in which the Company elects, pursuant to Section 3.07(b), to pay the Purchase Price, in whole or in part, in shares of Common Stock but such portion of the Purchase Price shall ultimately be paid to such Holder entirely in cash because any of the conditions to payment of the Purchase Price in shares of Common Stock is not satisfied prior to the close of business on the last Business Day prior to the relevant Purchase Date, as set forth in Section 3.07(d), whether such Holder elects (i) to withdraw such Purchase Notice as to some or all of the Debentures to which such Purchase Notice relates (stating the principal amount and certificate numbers, if any, of the Debentures as to which such withdrawal shall relate), or (ii) to receive cash in respect of the entire Purchase Price for all Debentures (or portions thereof) to which such Purchase Notice relates; and

(2) delivery of such Debenture to the Paying Agent with the Purchase Notice (together with all necessary endorsements) at the offices of the Paying Agent, such delivery being a condition to receipt by the Holder of the Purchase Price therefor; provided, however, that such Purchase Price shall be so paid pursuant to this Section 3.07 only if the Debenture so delivered to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice, as reasonably determined by the Company.

If a Holder, in such Holder's Purchase Notice and in any written notice of withdrawal delivered by such Holder pursuant to the terms of Section 3.09, fails to indicate such Holder's choice with respect to the election set forth in clause (D) of Section 3.07(a)(1), such Holder shall be deemed to have elected to receive cash in respect of the entire Purchase Price for all Debentures subject to such Purchase Notice in the circumstances set forth in such clause (D).

The Company shall purchase from the Holder thereof, pursuant to this Section 3.07, a portion of a Debenture, only if the principal amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Supplemental Indenture that apply to the purchase of all of a Debenture also apply to the purchase of such portion of such Debenture.

Any purchase by the Company contemplated pursuant to the provisions of this Section 3.07 shall be consummated, upon satisfaction of all conditions hereunder, in the manner specified in Sections 3.09 and 3.10.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent a Purchase Notice contemplated by this Section 3.07(a) shall have the right to withdraw such Purchase Notice at any time prior to the close of business on the last Business Day prior to the Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 3.09.

The Paying Agent shall promptly notify the Company of the receipt by it of any Purchase Notice or written notice of withdrawal thereof.

(b) Company's Right to Elect Manner of Payment of Purchase Price for Payment. The Company shall pay cash for any Debentures purchased on August 1, 2006 pursuant to this Section 3.07. The Debentures to be purchased on any Purchase Date pursuant to Section 3.07(a) on or after August 1, 2010, may be paid for, in whole or in part, at the election of the Company, in U.S. legal tender ("cash") or shares of Common Stock, or in any combination of cash and shares of Common Stock (provided that accrued and unpaid interest shall be paid in cash), subject to the conditions set forth in Sections 3.07(c) and (d). The Company shall designate, in the Company Notice delivered pursuant to Section 3.07(e), whether the Company will purchase the Debentures for cash or, for purchases on or after August 1, 2010, shares of Common Stock, or, if a combination thereof, the percentages of the Purchase Price of Debentures in respect of which it will pay in cash or shares of Common Stock; provided that the Company will pay cash for fractional interests in shares of Common Stock. For purposes of determining the existence of potential fractional interests, all Debentures subject to purchase by the Company held by a Holder shall be considered together (no matter how many separate certificates are to be presented). Each Holder whose Debentures are purchased pursuant to this Section 3.07 shall receive the same percentage of cash or shares of Common Stock in payment of the Purchase Price for such Debentures, except (i) as provided in Section 3.07(d) with regard to the payment of cash in lieu of fractional shares of Common Stock and (ii) in the event that the Company is unable to purchase the Debentures of a Holder or Holders for shares of Common Stock because any necessary qualifications or registrations of the shares of Common Stock under applicable state securities laws cannot be obtained, the Company may purchase the Debentures of such Holder or Holders for cash. The Company may not change its election with respect to the consideration (or components or percentages of components thereof) to be paid once the Company has given its Company Notice to Holders except pursuant to Section 3.07(d) in the event of a failure to satisfy, prior to the close of business on the last Business Day prior to the Purchase Date, any condition to the payment of the Purchase Price, in whole or in part, in shares of Common Stock.

At least three Business Days before each Company Notice Date, the Company shall deliver an Officers' Certificate to the Trustee specifying:

- (i) the manner of payment selected by the Company,
- (ii) the information required by Section 3.07(e) in the Company Notice,
- (iii) if the Company elects to pay the Purchase Price, or a specified percentage thereof, in shares of Common Stock for purchases on or after August 1, 2010, that the conditions to such manner of payment set forth in Section 3.07(d) have been or will be complied with,
- (iv) whether the Company desires the Trustee to give the Company Notice required by Section 3.07(e) on its behalf, and
- (v) the principal amount of the Debentures plus accrued and unpaid interest.

(c) Purchase with Cash. At the option of the Company, the Purchase Price of Debentures in respect of which a Purchase Notice pursuant to Section 3.07(a) has been given, or a specified percentage thereof, may be paid by the Company with cash equal to the aggregate Purchase Price of such Debentures. Notwithstanding the foregoing sentence, the Purchase Price of Debentures in respect of which a Purchase Notice pursuant to Section 3.07(a) has been given with respect to August 1, 2006 must be paid by the Company with cash equal to the aggregate Purchase Price of the Debentures, plus accrued and unpaid interest.

(d) Payment by Issuance of Shares of Common Stock. At the option of the Company, the Purchase Price of Debentures in respect of which a Purchase Notice pursuant to Section 3.07(a) has been given with respect to a Purchase Date occurring on August 1, 2010 or August 1, 2017, or a specified percentage thereof, may be paid by the Company by the issuance of a number of shares of Common Stock equal to the quotient obtained by dividing (i) the portion of the Purchase Price to be paid in shares of Common Stock by (ii) the Market Price of one share of Common Stock as determined by the Company in the Company Notice, subject to the next succeeding paragraph.

The Company will not issue fractional shares of Common Stock in payment of the Purchase Price. Instead, the Company will pay cash based on the current Market Price for all fractional shares. It is understood that if a Holder elects to have more than one Debenture purchased, the number of shares of Common Stock shall be based on the aggregate amount of Debentures to be purchased.

The Company's right to exercise its election, as of August 1, 2010 or August 1, 2017, to purchase Debentures through the issuance of shares of Common Stock shall be conditioned upon:

- (i) the Company not having elected in its Company Notice to pay entirely in cash and its election in a timely Company Notice to purchase all or a specified percentage of the Debentures with shares of Common Stock as provided herein;
- (ii) the registration of such shares of Common Stock under the Securities Act, or the Exchange Act, in each case, if required;
- (iii) the listing of such shares of Common Stock on the principal national securities exchange (currently the NYSE) or other principal exchange or market on which the shares of Common Stock are listed or traded;
- (iv) any necessary qualification or registration under applicable state securities laws or the availability of an exemption from such qualification and registration; and
- (v) the receipt by the Trustee of an Officers' Certificate and an Opinion of Counsel each stating that (A) the terms of the issuance of the shares of Common Stock are in conformity with this Indenture and (B) the shares of Common Stock to be issued by the Company in payment of the Purchase Price (or any portion thereof) in respect of the Debentures have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Purchase Price (or any portion thereof) in respect of the Debentures, will be validly issued, fully paid and non-assessable and, to the best of such counsel's knowledge, free from preemptive rights, and, in the case of such Officers' Certificate, stating that the conditions above and the condition set forth in the second succeeding sentence have been satisfied and, in the case of such Opinion of Counsel, stating that the conditions in clauses (i) through (iv) above have been satisfied.

Such Officers' Certificate shall also set forth the number of shares of Common Stock to be issued for each \$1,000 principal amount of Debentures and the Sale Price of a share of Common Stock on each trading day during the period commencing on the first trading day of the period during which the Market Price is calculated. The Company may pay the Purchase Price (or any portion thereof) in shares of Common Stock only if the information necessary to calculate the Market Price is published in a daily newspaper of national circulation or is otherwise readily available. If the foregoing conditions are not satisfied with respect to a Holder or Holders prior to the close of business on the last Business Day prior to the Purchase Date, and the Company has elected to purchase the Debentures pursuant to this Section 3.07(d) through the issuance of shares of Common Stock, the Company shall pay the entire Purchase Price of the Debentures of such Holder or Holders in cash.

The "Market Price" means the average of the Sale Prices of the Common Stock for the five trading day period ending on the third Business Day prior to the applicable Purchase Date (if the third Business Day prior to the applicable Purchase Date is a trading day, or if not, then on the last trading day prior to the third Business Day), appropriately adjusted to take into account the occurrence, during the period commencing on the first of the trading days during the five trading day period and ending on the Purchase Date, of any event described in Sections 2.06, 2.07, 2.08, 2.09 or 2.10; subject, however, to the conditions set forth in Article 2.

Upon determination of the actual number of shares of Common Stock to be issued upon repurchase of Debentures, the Company will disseminate a press release through Dow Jones & Company, Inc. or Bloomberg Business News containing this information or publish the information on the Company's website or through such other public medium as the Company may use at that time.

- (e) Company Notice. In connection with any purchase of Debentures pursuant to the provisions set forth in this Section 3.07 and the Debentures, the Company shall give notice to Holders setting forth information specified in this Section 3.07(e) (the "Company Notice"). The Company Notice shall be sent to Holders (and to beneficial owners as required by applicable law) not less than 20 Business Days prior to each Purchase Date (the "Company Notice Date").

In the event the Company has elected to pay the Purchase Price (or a specified percentage thereof) with shares of Common Stock or any combination of cash or shares of Common Stock pursuant to Section 3.07(d) for purchases on or after August 1, 2010, the Company Notice shall:

- (1) state that each Holder will receive shares of Common Stock with a Market Price determined as of a specified date prior to the Purchase Date equal to such specified percentage of the Purchase Price of the Debentures held by such Holder (except any cash amount to be paid in lieu of fractional shares and in respect of accrued and unpaid interest, if any);
- (2) set forth the method of calculating the Market Price of the shares of Common Stock; and
- (3) state that because the Market Price of shares of Common Stock will be determined prior to the Purchase Date, Holders of the Debentures will bear the market risk with respect to the value of the shares of Common Stock to be received from and after the date such Market Price is determined to the Purchase Date.

In any case, each Company Notice shall include a form of Purchase Notice to be completed by a Holder and shall state:

- (ii) the Purchase Price and the Conversion Rate;
- (iii) the name and address of the Paying Agent and the Conversion Agent;
- (iv) that Debentures as to which a Purchase Notice has been given may be converted if they are otherwise convertible in accordance with Article 2 and the provisions of the Debentures only if the applicable Purchase Notice has been validly withdrawn in accordance with the terms of this Supplemental Indenture;
- (v) that Debentures must be surrendered to the Paying Agent to collect payment;
- (vi) that the Purchase Price for any Debenture as to which a Purchase Notice has been given and not withdrawn will be paid promptly following the later of the Purchase Date and the time of surrender of such Debenture;
- (vii) the procedures the Holder must follow to exercise its put rights under this Section 3.07 and a brief description of those rights;
- (viii) briefly, the conversion rights of the Debentures;
- (ix) the procedures for withdrawing a Purchase Notice including, without limitation, for a conditional withdrawal pursuant to the terms of Section 3.07(a)(1)(D) or Section 3.09;
- (x) that, unless the Company defaults in making payment on Debentures for which a Purchase Notice has been submitted, interest, if any, on such Debentures will cease to accrue on and after the Purchase Date; and
- (xi) the CUSIP number of the Debentures.

At the Company's request, the Trustee shall give such Company Notice in the Company's name and at the Company's expense; provided, however, that, in all cases, the text of such Company Notice shall be prepared by the Company.

(f) Covenants of the Company. All shares of Common Stock delivered upon purchase of the Debentures shall be newly issued shares or treasury shares, shall be duly authorized, validly issued, fully paid and nonassessable, and shall be free from preemptive rights and free of any lien or adverse claim.

(g) Procedure upon Purchase. The Company shall deposit cash (in respect of cash purchases under this Section 3.07 or payments for fractional interests or accrued and unpaid interest, as applicable) or shares of Common Stock, or a combination thereof, as applicable, at the time and in the manner as provided in Section 3.10, sufficient to pay the aggregate Purchase Price of all Debentures to be purchased pursuant to this Section 3.07. As soon as practicable after the Purchase Date, the Company shall deliver to each Holder entitled to receive shares of Common Stock through the Paying Agent, a certificate for the number of full shares of Common Stock issuable in payment of the Purchase Price. The person in whose name the certificate for the shares of Common Stock is registered shall be treated as a holder of record of Common Stock on the Business Day following the applicable Purchase Date. No payment or adjustment will be made for dividends on the shares of Common Stock the record date for which occurred on or prior to the Purchase Date.

(h) Taxes. If a Holder of a purchased Debenture is paid in shares of Common Stock, the Company shall pay any documentary, stamp or similar issue or transfer tax due on such issue of Common Stock. However, the Holder shall pay any such tax which is due because the Holder requests the Common Stock to be issued in a name other than the Holder's name. The Paying Agent may refuse to deliver the certificates representing the shares of Common Stock being issued in a name other than the Holder's name until the Paying Agent receives a sum sufficient to pay any tax which will be due because the shares of Common Stock are to be issued in a name other than the Holder's name. Nothing herein shall preclude any income tax withholding required by law or regulations.

Section 3.08 Purchase of Debentures by the Company at Option of the Holder upon a Change in Control.

(a) If a Change in Control occurs, the Debentures not previously purchased or redeemed by the Company shall be purchased by the Company, at the option of the Holder thereof, at a purchase price in cash equal to the principal amount of such Debentures plus any accrued and unpaid interest to the Change in Control Purchase Date (the "Change in Control Purchase Price"), as of the date that is 45 days after the date of the Change in Control Notice delivered by the Company (the "Change in Control Purchase Date"), subject to satisfaction by or on behalf of the Holder of the requirements set forth in Section 3.08(c).

A "Change in Control" shall be deemed to have occurred at such time after the Debentures are originally issued as either of the following events shall occur:

- (i) any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act,

acquires beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of the Company's Capital Stock entitling the person to exercise 50% or more of the total voting power of all shares of the Company's Capital Stock that are entitled to vote generally in elections of directors, other than an acquisition by the Company, any of the Company's Subsidiaries or any of the Company's employee benefit plans; or

(ii) the Company merges or consolidates with or into any other person, another person merges into the Company, or the Company conveys, sells, transfers or leases all or substantially all of its assets to another person, other than any transaction: (A) that does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of the Company's Capital Stock, (B) pursuant to which the holders of the Common Stock immediately prior to the transaction have the entitlement to exercise, directly or indirectly, 50% or more of the total voting power of all shares of Capital Stock entitled to vote generally in the election of directors of the continuing or surviving corporation immediately after the transaction, or (C) which is effected solely to change the Company's jurisdiction of incorporation and results in a reclassification, conversion or exchange of outstanding shares of the Common Stock solely into shares of common stock of the surviving entity.

Notwithstanding the foregoing provisions of this Section 3.08, a Change in Control shall not be deemed to have occurred if (A) the Sale Price for any five trading days within the period of 10 consecutive trading days ending immediately after the later of a Change in Control or the public announcement of a Change in Control, in the case of a Change in Control relating to an acquisition of Capital Stock, or the period of 10 consecutive trading days ending immediately before a Change in Control, in the case of a Change in Control relating to a merger, consolidation or asset sale, equals or exceeds 105% of the Applicable Conversion Price of the Debentures in effect on each of those trading days or (B) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a merger or consolidation otherwise constituting a Change in Control under clause (i) or clause (ii) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the merger or consolidation) and as a result of the merger or consolidation the Debentures become convertible into such common stock. For purposes of this Section 3.08, (x) whether a person is a "beneficial owner" shall be determined in accordance with Rule 13d-3 under the Exchange Act and (y) "person" includes any syndicate or group that would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act.

(b) No later than 30 days after the occurrence of a Change in Control, the Company shall mail a written notice of the Change in Control (the "Change in Control Notice") by first-class mail to the Trustee and to each Holder (and to beneficial owners as required by applicable law). The notice shall include a form of Change in Control Purchase Notice to be completed by a Holder and shall state:

- (1) briefly, the events causing a Change in Control and the date of such Change in Control;
- (2) the date by which the Change in Control Purchase Notice pursuant to this Section 3.08 must be given;
- (3) the Change in Control Purchase Date;
- (4) the Change in Control Purchase Price;
- (5) the name and address of the Paying Agent and the Conversion Agent;
- (6) the Conversion Rate and any adjustments thereto;
- (7) that the Debentures as to which a Change in Control Purchase Notice has been given may be converted if they are otherwise convertible pursuant to Article 2 and the provisions of the Debentures only if the Change in Control Purchase Notice has been validly withdrawn in accordance with the terms of this Supplemental Indenture;
- (8) that the Debentures must be surrendered to the Paying Agent to collect payment;
- (9) that the Change in Control Purchase Price for any Debenture as to which a Change in Control Purchase Notice has been duly given and not withdrawn will be paid promptly following the later of the Change in Control Purchase Date and the time of surrender of such Debenture;
- (10) briefly, the procedures the Holder must follow to exercise rights under this Section 3.08;
- (11) briefly, the conversion rights of the Debentures;
- (12) the procedures for withdrawing a Change in Control Purchase Notice;
- (13) that, unless the Company defaults in making payment of such Change in Control Purchase Price on Debentures surrendered for purchase, such Debentures will cease to accrue interest on and after the Change in Control Purchase Date; and
- (14) the CUSIP number of the Debentures.

(c) A Holder may exercise its rights specified in Section 3.08(a) upon delivery of a written notice of purchase (a " Change in Control Purchase Notice ") to the Paying Agent at any time on or prior to the 30th day after the date the Company delivers its Change in Control Notice, stating:

- (1) the certificate number of the Debenture which the Holder will deliver to be purchased;
- (2) the portion of the principal amount of the Debenture which the Holder will deliver to be purchased, which portion must be \$1,000 or an integral multiple thereof; and
- (3) that such Debenture shall be purchased pursuant to the terms and conditions specified in the Debentures.

The delivery of such Debenture to the Paying Agent with the Change in Control Purchase Notice (together with all necessary endorsements) at the offices of the Paying Agent shall be a condition to the receipt by the Holder of the Change in Control Purchase Price therefor; provided, however, that such Change in Control Purchase Price shall be so paid pursuant to this Section 3.08 only if the Debenture so delivered to the Paying Agent shall conform in all respects to the description thereof set forth in the related Change in Control Purchase Notice, as reasonably determined by the Company.

The Company shall purchase from the Holder thereof, pursuant to this Section 3.08, a portion of a Debenture only if the principal amount of such portion is \$1,000 or an integral multiple of \$1,000. Provisions of this Indenture that apply to the purchase of all of a Debenture also apply to the purchase of such portion of such Debenture.

Any purchase by the Company contemplated pursuant to the provisions of this Section 3.08 shall be consummated, upon satisfaction of all conditions hereunder, in the manner specified in Sections 3.09 and 3.10.

Notwithstanding anything herein to the contrary, any Holder delivering to the Paying Agent a Change in Control Purchase Notice contemplated by this Section 3.08 shall have the right to withdraw such Change in Control Purchase Notice at any time prior to the close of business on the last Business Day prior to the Change in Control Purchase Date by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 3.09.

The Paying Agent shall promptly notify the Company of the receipt by it of any Change in Control Purchase Notice or written notice of withdrawal thereof.

Section 3.09 Effect of Purchase Notice or Change in Control Purchase Notice. Upon receipt by the Paying Agent of the Purchase Notice or the Change in Control Purchase Notice specified in Section 3.07(a) or Section 3.08(c), as applicable, the Holder of the Debenture in respect of which such Purchase Notice or Change in Control Purchase Notice, as the case may be, was given shall (unless such Purchase Notice or Change in Control Purchase Notice, as the case may be, is withdrawn as specified in the following two paragraphs) thereafter be entitled to receive solely the Purchase Price or the Change in Control Purchase Price, as the case may be, with respect to such Debenture. Such Purchase Price or Change in Control Purchase Price shall be paid to such Holder, subject to receipt of funds and/or securities by the Paying Agent, promptly following the later of (x) the applicable Purchase Date or the Change in Control Purchase Date, as the case may be, with respect to such Debenture (provided the conditions in Section 3.07(a) or Section 3.08(c), as applicable, have been satisfied) and (y) the time of delivery of such Debenture to the Paying Agent by the Holder thereof in the manner required by Section 3.07(a) or Section 3.08(c), as applicable.

Debentures in respect of which a Purchase Notice or Change in Control Purchase Notice has been given by the Holder thereof may not be converted pursuant to Article 2 on or after the date of the delivery of such Purchase Notice or Change in Control Purchase Notice unless such Purchase Notice or Change in Control Purchase Notice has first been validly withdrawn as specified in the following two paragraphs.

A Purchase Notice or Change in Control Purchase Notice may be withdrawn by means of a written notice of withdrawal delivered to the office of the Paying Agent at any time prior to the close of business on the last Business Day prior to the Purchase Date or Change in Control Purchase Date specifying:

- (1) the certificate number, if any, of the Debenture in respect of which such notice of withdrawal is being submitted or the appropriate Clearing Agency procedures to be complied with if Global Debentures are still outstanding,
- (2) the principal amount of the Debenture with respect to which such notice of withdrawal is being submitted, and
- (3) the principal amount, if any, of such Debenture which remains subject to the original Purchase Notice or Change in Control Purchase Notice, as the case may be, and which has been or will be delivered for purchase by the Company.

A written notice of withdrawal of a Purchase Notice may be in the form set forth in the preceding paragraph or may be in the form of (i) a conditional withdrawal contained in a Purchase Notice pursuant to the terms of Section 3.07(a)(1)(D) or (ii) a conditional withdrawal containing the information set forth in Section 3.07(a)(1)(D) and the preceding paragraph and contained in a written notice of withdrawal delivered to the Paying Agent as set forth in the preceding paragraph.

There shall be no purchase of any Debentures pursuant to Section 3.07 or 3.08 if there has occurred (prior to, on or after, as the case

may be, the giving, by the Holders of such Debentures, of the required Purchase Notice or Change in Control Purchase Notice, as the case may be) and is continuing an Event of Default (other than a default in the payment of the Purchase Price or Change in Control Purchase Price, as the case may be, with respect to such Debentures). The Paying Agent will promptly return to the respective Holders thereof any Debentures (x) with respect to which a Purchase Notice or Change in Control Purchase Notice, as the case may be, has been withdrawn in compliance with this Indenture, or (y) held by it during the continuance of an Event of Default (other than a default in the payment of the Purchase Price or Change in Control Purchase Price, as the case may be, with respect to such Debentures) in which case, upon such return, the Purchase Notice or Change in Control Purchase Notice with respect thereto shall be deemed to have been withdrawn.

Section 3.10 Deposit of Purchase Price or Change in Control Purchase Price. Prior to 10:00 a.m. (local time in the City of New York) on the Business Day following the Purchase Date or the Change in Control Purchase Date, as the case may be, the Company shall deposit with the Trustee or with the Paying Agent (or, if the Company or a Subsidiary or an Affiliate of either of them is acting as the Paying Agent, shall segregate and hold in trust) an amount of cash (in immediately available funds if deposited on such Business Day) or Common Stock, if permitted hereunder, sufficient to pay the aggregate Purchase Price or Change in Control Purchase Price, as the case may be, of all the Debentures or portions thereof which are to be purchased as of the Purchase Date or Change in Control Purchase Date, as the case may be.

Section 3.11 Debentures Purchased in Part. Subject to Section 1.05, any Debenture which is to be purchased only in part shall be surrendered at the office of the Paying Agent (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing) and the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Debenture, without service charge, a new Debenture or Debentures, of any authorized denomination as requested by such Holder in aggregate principal amount equal to, and in exchange for, the portion of the principal amount of the Debenture so surrendered which is not purchased.

Section 3.12 Covenant to Comply With Securities Laws Upon Purchase of Debentures. When complying with the provisions of Section 3.07 or 3.08 hereof (provided that such offer or purchase constitutes an "issuer tender offer" for purposes of Rule 13e-4 (which term, as used herein, includes any successor provision thereto) under the Exchange Act at the time of such offer or purchase), the Company shall (i) comply with Rule 13e-4 and Rule 14e-1 (or any successor provision) under the Exchange Act, (ii) file the related Schedule TO (or any successor schedule, form or report) under the Exchange Act, and (iii) otherwise comply with all federal and state securities laws so as to permit the rights and obligations under Sections 3.07 and 3.08 to be exercised in the time and in the manner specified in Sections 3.07 and 3.08.

Section 3.13 Repayment to the Company. The Trustee and the Paying Agent shall return to the Company any cash or shares of Common Stock that remain unclaimed, together with interest or dividends, if any, thereon (subject to the provisions of Section 7.05 of the Original Indenture), held by them for the payment of the Purchase Price or Change in Control Purchase Price, as the case may be; provided, however, that to the extent that the aggregate amount of cash or shares of Common Stock deposited by the Company pursuant to Section 3.10 exceeds the aggregate Purchase Price or Change in Control Purchase Price, as the case may be, of the Debentures or portions thereof which the Company is obligated to purchase as of the Purchase Date or Change in Control Purchase Date, as the case may be, then, unless otherwise agreed in writing with the Company, promptly after the Business Day following the Purchase Date or Change in Control Purchase Date, as the case may be, the Trustee shall return any such excess to the Company together with interest or dividends, if any, thereon (subject to the provisions of Section 7.05 of the Original Indenture).

ARTICLE 4

ADDITIONAL EVENTS OF DEFAULT

Section 4.01 Additional Events of Default. Any Event of Default set forth in Article 6 of the Original Indenture and any one of the following events shall constitute an "Event of Default" hereunder and thereunder whenever used with respect to the Debentures in this Indenture (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) a default by the Company in the payment of any Redemption Price, Purchase Price or Change in Control Purchase Price due with respect to any Debentures when such amount becomes due and payable; provided, however, that notwithstanding the foregoing, the Company's failure to pay such amounts, if caused solely by a wire transfer malfunction or similar problem outside of the Company's control, shall not be deemed an Event of Default; or

(2) failure by the Company to pay Registration Default Damages or a default by the Company in the payment of any contingent interest, which failure or default, in either case, continues for 30 Business Days.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 5.01 Recitals by Company. The recitals in this Supplemental Indenture are made by the Company only and not by the Trustee, and all of the provisions contained in the Original Indenture in respect of the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect of the Debentures and this Supplemental Indenture as fully and with like effect as if set forth herein in full.

Section 5.02 Ratification and Confirmation of Original Indenture . As supplemented hereby, the Original Indenture is in all respects ratified and confirmed, and the Original Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument. Unless otherwise indicated, Section and Article references contained herein are references to this Supplemental Indenture.

Section 5.03 Executed in Counterparts . This Supplemental Indenture may be executed in several counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

ARTICLE 6

TAX TREATMENT

Section 6.01 Agreements . The Company and the Trustee on behalf of the Holders agree (i) that for United States federal income tax purposes the Debentures will be treated as indebtedness subject to the Treasury regulations governing contingent payment debt instruments, (ii) that the Holders will report original issue discount and interest on the Debentures in accordance with the Company's determination of both the "comparable yield" and the "projected payment schedule" and (iii) to be bound by the Company's application of the Treasury regulations that govern contingent payment debt instruments. For this purpose, the "comparable yield" for the Debentures is 8.97% compounded semi-annually. Holders may obtain the projected payment schedule by submitting a written request for such schedule to the Company. The Company shall file with the Trustee no later than the end of each calendar year or at any other time as the Trustee may request (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on outstanding Debentures as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

IN WITNESS WHEREOF, each party hereto has caused this instrument to be signed in its name and behalf by its duly authorized officers, all as of the day and year first above written.

CENTURYTEL, INC.

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

R. Stewart Ewing, Jr.
Chief Financial Officer

By: /s/ Stacey Goff

Stacey Goff
Assistant Secretary

Attest:

/s/ Stacey Goff

Stacey Goff
Assistant Secretary

REGIONS BANK,
as Trustee

By: /s/ Jo Ann Mayfield

Jo Ann Mayfield
Vice President / Corporate Trust Officer

EXHIBIT A

(Form of Face of Debenture)

THIS SECURITY WILL BE SUBJECT TO THE REGULATIONS GOVERNING CONTINGENT PAYMENT DEBT INSTRUMENTS FOR UNITED STATES FEDERAL INCOME TAX PURPOSES. AS REQUIRED UNDER APPLICABLE TREASURY REGULATIONS, THE COMPANY HAS SET FORTH THE "COMPARABLE YIELD" IN SECTION 6.01 OF THE SECOND SUPPLEMENTAL INDENTURE PURSUANT TO WHICH THIS SECURITY IS BEING ISSUED. THE HOLDER OF THIS SECURITY MAY OBTAIN THE PROJECTED PAYMENT SCHEDULE BY SUBMITTING A WRITTEN REQUEST FOR SUCH INFORMATION TO CENTURYTEL, INC., 100 CENTURYTEL DRIVE, MONROE, LOUISIANA 71203, ATTENTION: INVESTOR RELATIONS.

[If the Debenture is to be a Global Debenture, insert: THIS SECURITY IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE CLEARING AGENCY OR A NOMINEE OF THE CLEARING AGENCY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE CLEARING AGENCY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE

INDENTURE, AND NO TRANSFER OF THIS SECURITY (OTHER THAN A TRANSFER OF THIS DEBENTURE AS A WHOLE BY THE CLEARING AGENCY TO A NOMINEE OF THE CLEARING AGENCY OR BY A NOMINEE OF THE CLEARING AGENCY TO THE CLEARING AGENCY OR ANOTHER NOMINEE OF THE CLEARING AGENCY OR TO A SUCCESSOR CLEARING AGENCY OR TO A NOMINEE OF SUCH SUCCESSOR) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY DEBENTURE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

[THIS SECURITY (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, (THE "SECURITIES ACT"), AND THIS SECURITY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY AGREES FOR THE BENEFIT OF CENTURYTEL, INC. THAT, UNTIL THE EXPIRATION OF THE APPLICABLE HOLDING PERIOD WITH RESPECT TO THIS SECURITY AND ANY SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY SET FORTH IN RULE 144(K) UNDER THE SECURITIES ACT (OR ANY SUCCESSOR RULE), (A) THIS SECURITY AND ANY SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES, TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (III) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (III) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND OTHER JURISDICTIONS AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY AND ANY SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE. CENTURYTEL, INC., AND THE TRUSTEE RESERVE THE RIGHT TO REQUIRE, PRIOR TO ANY OFFER, TRANSFER OR SALE PURSUANT TO CLAUSE (II), THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATIONS OR OTHER INFORMATION SATISFACTORY TO CENTURYTEL, INC. AND THE TRUSTEE, AS THE CASE MAY BE.

THIS SECURITY, ANY SHARES OF COMMON STOCK ISSUABLE UPON ITS CONVERSION AND ANY RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON REALES AND OTHER TRANSFERS OF THIS SECURITY AND ANY SUCH SHARES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY AND ANY SUCH SHARES OF COMMON STOCK SHALL BE DEEMED BY THE ACCEPTANCE OF THIS SECURITY AND ANY SUCH SHARES OF COMMON STOCK TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

BY ITS ACCEPTANCE OF THE SECURITIES EVIDENCED HEREBY OR A BENEFICIAL INTEREST IN SUCH SECURITIES, THE HOLDER OF, AND ANY PERSON THAT ACQUIRES A BENEFICIAL INTEREST, IN SUCH SECURITIES AGREES TO BE BOUND BY THE PROVISIONS OF THE REGISTRATION RIGHTS AGREEMENT DATED AS OF AUGUST 26, 2002 (THE " REGISTRATION RIGHTS AGREEMENT ") AND

RELATING TO THE REGISTRATION UNDER THE SECURITIES ACT OF THE SECURITIES
EVIDENCED HEREBY.]

The foregoing legends may be removed from this Debenture on satisfaction of the conditions specified in the Indenture.

CUSIP No. 156700AE6

\$
No.

CENTURYTEL, INC.
4.75% CONVERTIBLE SENIOR DEBENTURES, SERIES K, DUE 2032

CenturyTel, Inc., a Louisiana corporation (the "Company," which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ DOLLARS (\$ _____), on August 1, 2032 (such date is hereinafter referred to as the "Stated Maturity Date"), and to pay interest on said principal sum from August 26, 2002 or from the next most recent date to which interest has been paid or duly provided for, semi-annually in arrears, on February 1 and August 1 of each year (each such date, an "Interest Payment Date"), commencing on February 1, 2003, at the rate of 4.75% per annum until the principal hereof shall have been paid or duly made available for payment and, to the extent permitted by law, to pay interest, compounded semiannually, on any overdue principal and premium, if any, and on any overdue installment of interest at the same rate per annum; provided, however, that if a Registration Default (as defined in the Registration Rights Agreement) occurs, Registration Default Damages (as defined in the Registration Rights Agreement) will accrue on this Security in accordance with Section 2(c) of the Registration Rights Agreement.

Subject to the accrual and record date provisions specified in the Indenture, the Company shall pay contingent interest in cash to the Holders during any six-month period (a "Contingent Interest Period") from August 1 to January 31 and from February 1 to July 31, commencing with the six-month period beginning August 1, 2006, if the average Debenture Price for the Applicable Five Trading Day Period with respect to such Contingent Interest Period equals 120% or more of \$1,000 principal amount of Debentures. The amount of contingent interest payable per \$1,000 principal amount of Debentures in respect of any Contingent Interest Period shall equal the greater of (x) Cash Dividends paid by the Company per share of Common Stock during that Contingent Interest Period multiplied by the number of shares of Common Stock into which \$1,000 principal amount of Debentures is convertible pursuant to the Indenture at the then applicable Conversion Rate as of the record date for such contingent interest and (y) .125% of the average Debenture Price for the Applicable Five Day Trading Period with respect to such Contingent Interest Period payable in the manner and on the dates set forth in the Indenture (as defined below).

The amount of interest payable for any period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and, except as provided in the Indenture (as defined below), the amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the actual number of days elapsed in such 180-day period. [In the event that any date on which interest is payable on this Debenture is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such Interest Payment Date.]

The interest installment or contingent interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Debenture (or one or more predecessor Debentures) is registered at the close of business on the Regular Record Date for such interest installment or contingent interest, which shall be the close of business on the fifteenth day of the month immediately preceding the month in which such Interest Payment Date falls, or the Contingent Interest Record Date for such contingent interest payment, which shall be the record date for the related Cash Dividend or, if no Cash Dividend is paid by the Company during any quarter within a Contingent Interest Period, to Holders as of the 15th day preceding the last day of the relevant Contingent Interest Period. Any such interest installment or contingent interest not

punctually paid or duly provided for, on any Interest Payment Date, shall forthwith cease to be payable to the Holders at the close of business on such Regular Record Date or Contingent Interest Record Date, as the case may be, and may be paid by the Company to the Person in whose name this Debenture 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, which shall not be more than 15 or less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of such proposed payment, and notice of which shall be given to the Holders of the Debentures 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, if any, on which the Debentures shall be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

The principal of (and premium, if any) and the interest or contingent interest on this Debenture shall be payable at the office or agency of the Company maintained for that purpose in the City of Monroe, State of Louisiana, or the Borough of Manhattan, The City and State of New York, in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that payment of interest or contingent interest may be made at the option of the Company by check mailed to the address of the Person entitled thereto as such address shall appear in the security register. [Principal, premium, if any, and interest or contingent interest payable on any payment date will be paid to DTC with respect to this Debenture held for its account by Cede & Co. or a successor depository, as the case may be, for the purpose of permitting such party to credit the payment received by it in respect of this Debenture to the accounts of the beneficial owners hereof.] ¹

This Debenture is convertible as specified on the following pages of this Debenture. The indebtedness evidenced by this Debenture is, to the extent provided in the Indenture, senior and unsecured and will rank in right of payment on parity with all other senior unsecured obligations of the Company.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS DEBENTURE SET FORTH ON THE FOLLOWING PAGES HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this Debenture shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

¹ Include this bracketed language if this is a Global Note.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

CENTURYTEL, INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

Attest:

Name:

Title:

This Debenture is one of a duly authorized issue of unsecured securities, debentures, notes or other evidences of indebtedness of the Company issued and issuable in one or more series under an Indenture, dated as of March 31, 1994, as supplemented by the Second Supplemental Indenture dated as of August 20, 2002 (collectively, the "Indenture"), between the Company and Regions Bank (successor-in-interest to First American Bank & Trust of Louisiana and Regions Bank of Louisiana), as trustee (the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitation of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the debt securities issued thereunder and of the terms upon which said debt securities are, and are to be, authenticated and delivered. This Debenture is one of the series designated on the face hereof as 4.75% Convertible Senior Debentures, Series K, due 2032 (the "Debentures"). Such series is limited in aggregate principal amount to \$150,000,000 (or \$165,000,000 if the over-allotment option referred to in the Purchase Agreement is exercised in full). Capitalized terms used herein for which no definition is provided herein shall have the meanings set forth in the Indenture.

1. Redemption of Debentures at the Option of the Company .

The Debentures are not entitled to the benefit of any sinking fund. Prior to August 5, 2006, the Debentures are not redeemable. The Debentures are redeemable at the option of the Company, in whole or in part, at any time or from time to time, on or after August 5, 2006 upon not less than 30 nor more than 60 days' notice of redemption by mail as set forth in the Indenture at the following redemption prices (expressed as percentages of principal amount thereof), if redeemed during the twelve-month period beginning on August 5 of each year indicated (August 5, 2006, in the case of the first such year) plus accrued and unpaid interest to, but excluding, the date fixed for redemption:

Redemption	
<u>Year</u>	<u>Price</u>
2006	102.85%
2007	102.38%
2008	101.90%
2009	101.43%
2010	100.95%
2011	100.48%
2012 and thereafter	100.00%

2. Notice of Redemption .

Notice of redemption pursuant to Paragraph 1 of this Debenture will be mailed at least 30 days but not more than 60 days before the Redemption Date to each Holder of Debentures to be redeemed at the Holder's registered address and to beneficial holders as required by applicable law. If money sufficient to pay the Redemption Price of all Debentures or portions thereof to be redeemed on the Redemption Date is deposited with the Paying Agent prior to or on the Redemption Date, interest will cease to accrue on such Debentures or portions thereof immediately after such Redemption Date. Debentures in denominations larger than \$1,000 of principal amount may be redeemed in part but only in integral multiples of \$1,000 of principal amount.

3. Purchase of Debentures By the Company at the Option of the Holder .

Subject to the terms and conditions of the Indenture, the Company shall become obligated to purchase, at the option of the Holder, all or any portion of the Debentures held by such Holder on August 1, 2006, August 1, 2010 and

August 1, 2017 (each, a " Purchase Date ") in integral multiples of \$1,000 at a Purchase Price equal to 100% of the principal amount of the Debentures to be purchased plus accrued and unpaid interest, if any, to such Purchase Date. To exercise such right, a Holder shall deliver to the Trustee a written Purchase Notice containing the information set forth in the Indenture at any time from the opening of business on the date that is 20 Business Days prior to such Purchase Date until the close of business on the last day prior to such Purchase Date, and shall deliver the Debentures to the Paying Agent as set forth in the Indenture. If the Purchase Notice is given and withdrawn during such period, as set forth in the Indenture, the Company will not be obligated to purchase the related Debentures.

If the Purchase Date is August 1, 2006, the Purchase Price must be paid in cash. If the Purchase Date is August 1, 2010 or August 1, 2017, the Purchase Price may be paid, at the option of the Company, in cash or by the issuance and delivery of shares of Common Stock, or in any combination thereof, provided that accrued interest shall be paid in cash, as set forth in the Indenture.

At the option of the Holder and subject to the terms and conditions of the Indenture, the Company shall become obligated to offer to purchase the Debentures held by such Holder within 30 days (which purchase shall occur 45 days after the date of such offer) after the occurrence of a Change in Control for a Change in Control Purchase Price equal to 100% of the principal amount of the Debentures to be purchased plus accrued and unpaid interest, if any, to the Change in Control Purchase Date, which Change in Control Purchase Price shall be paid in cash.

Holders have the right to withdraw any Purchase Notice or Change in Control Purchase Notice, as the case may be, by delivering to the Paying Agent a written notice of withdrawal in accordance with the provisions of the Indenture.

If cash (and/or shares of Common Stock if permitted under the Indenture) sufficient to pay the Purchase Price or Change in Control Purchase Price, as the case may be, of all Debentures or portions thereof to be purchased on the Purchase Date or the Change in Control Purchase Date, as the case may be, is deposited with the Paying Agent on the Business Day following the Purchase Date or the Change in Control Purchase Date, interest ceases to accrue on such Debentures or portions thereof immediately after such Purchase Date or Change in Control Purchase Date, and the Holder thereof shall have no other rights as such other than the right to receive the Purchase Price or Change in Control Purchase Price upon surrender of such Debenture.

4. Conversion.

Subject to the procedures set forth in the Indenture, a Holder of Debentures may convert Debentures for Common Stock of the Company at any time on or before noon, New York time, on the Business Day immediately preceding August 1, 2032 if at least one of the conditions as specified in the Indenture is satisfied on the Conversion Date.

Debentures in respect of which a Holder has delivered a notice of exercise of the option to require the Company to purchase such Debentures or to purchase such Debentures in the event of a Change in Control may be converted only if the notice of exercise is withdrawn in accordance with the terms of the Indenture.

The initial Conversion Rate is 24.7188 shares of Common Stock per \$1,000 aggregate principal amount of Debentures, subject to adjustment in certain events described in the Indenture. The Company shall deliver cash or a check in lieu of any fractional share of Common Stock.

To surrender a Debenture for conversion, a Holder must (1) complete and manually sign the irrevocable conversion notice below (or complete and manually sign a facsimile of such notice) and deliver such notice to the Conversion Agent, (2) surrender the Debenture to the Conversion Agent if the Debenture is in certificated form, (3) furnish appropriate endorsements and transfer documents and (4) pay any transfer or similar tax, if required.

A Holder may convert a portion of a Debenture if the principal amount of such portion is \$1,000 or an integral multiple of \$1,000. No payment or adjustment will be made for dividends on the shares of Common Stock except as provided in the Indenture. Except as otherwise provided in the Indenture, upon conversion of a Debenture, the Holder will not receive any cash payment representing accrued and unpaid interest with respect to the converted Debenture. Instead, upon conversion, the Company will deliver to the Holder a fixed number of shares of Common Stock and any cash payment to account for fractional shares. Accrued interest will be deemed paid in full rather than canceled,

extinguished or forfeited. The Company will not adjust the Conversion Rate to account for accrued interest.

The Conversion Rate will be adjusted as provided in Article 2 of the Second Supplemental Indenture. The Company may increase the Conversion Rate for at least 20 days, so long as the increase is irrevocable during such period.

If the Company is a party to a consolidation, merger or binding share exchange pursuant to which the Common Stock is converted into cash, securities or other property, then at the effective time of the transaction, the right to convert a Debenture into shares of Common Stock will be changed into a right to convert it into the kind and amount of securities, cash or other property which the Holder would have received if the Holder had converted its Debentures immediately prior to such transaction in accordance with the terms of the Indenture.

5. Paying Agent, Conversion Agent and Bid Agent .

Initially, Regions Bank, an Alabama state banking corporation, shall act as Paying Agent, Conversion Agent and Bid Agent. The Company may appoint and change any Paying Agent, Conversion Agent or Bid Agent without notice, other than notice to the Trustee except that the Company will at all times maintain at least one Paying Agent and an office or agency where each Debenture may be surrendered for registration of transfer or exchange, in each case in the Borough of Manhattan, The City of New York. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent, or Conversion Agent, but not as Bid Agent.

6. Events of Default .

In case an Event of Default, as defined in the Indenture, with respect to the Debentures shall have occurred and be continuing, the principal of the Debentures 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.

7. Amendment; Waiver .

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 Debentures 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 Debentures, *provided, however*, that no such supplemental indenture shall (i) extend the fixed maturity of any Debentures 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 Debenture so affected or (ii) reduce the aforesaid percentage of Debentures, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Debenture then Outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Debentures of any series at the time Outstanding, on behalf of the Holders of Debentures of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established 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 Debentures of such series. Any such consent or waiver by the registered Holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Debenture and of any Debenture 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 Debenture.

No reference herein to the Indenture and no provision of this Debenture 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 Debenture at the times and place and at the rate and in the currency herein prescribed.

8. Transfers .

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Debenture is registrable in the security register, upon surrender of this Debenture for registration of transfer at the office or agency of

the Company for such purpose, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the security registrar and duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Debentures, of this series, of authorized denominations and of like tenor and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

9. Institution of Proceedings.

As provided in and subject to the provisions of the Indenture, the Holder of this Debenture shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Debentures, the Holders of not less than 25% in aggregate principal amount of the Debentures at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of Debentures at the time Outstanding a direction inconsistent with such request and shall have failed to institute any such proceeding for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Debenture for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

10. Registered Owner.

Prior to due presentment of this Debenture for registration of transfer, the Company, the Trustee, any Paying Agent and any security registrar may deem and treat the Person in whose name this Debenture is registered as the absolute owner hereof for all purposes, whether or not this Debenture be overdue and notwithstanding the notice of ownership or writing hereon made by anyone other than the security registrar, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

11. No Recourse Against Others.

No recourse shall be had for the payment of the principal of or any premium or the interest or contingent interest on this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, shareholder, affiliate, officer or director, as such, past, present or future, of the Company or of any predecessor or successor Company, 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.

12. Form; Denomination.

The Debentures are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and subject to the limitations therein set forth, Debentures are exchangeable for a like aggregate principal amount of Debentures of a different authorized denomination, as requested by the Holder surrendering the same upon surrender of the Debenture or Debentures to be exchanged at the office or agency of the Company.

13. Tax Treatment.

The Company and the Trustee on behalf of the Holders agree (i) that for United States federal income tax purposes the Debentures will be treated as indebtedness subject to the Treasury regulations governing contingent payment debt instruments, (ii) that the Holders will report original issue discount and interest on the Debentures in accordance with the Company's determination of both the "comparable yield" and the "projected payment schedule" and (iii) to be bound by the Company's application of the Treasury regulations that govern contingent payment debt instruments. For this purpose, the "comparable yield" for the Debentures is 8.97% compounded semi-annually. The Company shall file with the Trustee no later than the end of each calendar year or at any other time as the Trustee may request (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods)

accrued on outstanding Debentures as of the end of such year and (ii) such other specific information relating to such original issue discount as may then be relevant under the Internal Revenue Code of 1986, as amended from time to time.

14. Registration Rights

The Holders of the Debentures are entitled to the benefits of a Registration Rights Agreement, dated as of August 26, 2002, including the receipt of liquidated damages upon a Registration Default (as defined in such agreement).

15. Governing Law.

This Debenture shall be governed by, and construed in accordance with, the internal laws of the State of Louisiana.

FORM OF CONVERSION NOTICE

To: CenturyTel, Inc.

The undersigned registered holder of this Debenture hereby exercises the option to convert this Debenture, or portion hereof (which is \$1,000 principal amount of a Debenture or an integral multiple thereof) designated below, for shares of Common Stock of CenturyTel, Inc. in accordance with the terms of the Indenture referred to in this Debenture, and directs that the shares, if any, issuable and deliverable upon such conversion, together with any check for cash deliverable upon such conversion, and any Debentures representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If shares or any portion of this Debenture not converted are to be issued in the name of a Person other than the undersigned, the undersigned shall pay all transfer taxes payable with respect thereto.

This notice shall be deemed to be an irrevocable exercise of the option to convert this Debenture.

Dated:

Signature(s)

Signature(s) must be guaranteed by a commercial bank or trust company or a member firm of a major stock exchange if shares of Common Stock are to be issued, or Debentures to be delivered, other than to or in the name of the registered holder.

Signature Guarantee

Fill in for registration of shares if to be delivered, and Debentures if to be issued other than to and in the name of registered holder:

(Name)

(Street Address)

(City, state and zip code)

Please print name and address

Principal Amount at Stated Maturity
Date to be purchased (if less than all):

\$ __,000

Social Security or Other Taxpayer
Number

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM--as tenants in common	UNIF GIFT MIN ACT -- _____ Custodian _____ (Cust) (Minor)
TEN ENT--as tenants by the entireties	Under Uniform Gifts to Minors Act _____ (State)
JT TEN--as joint tenants with rights of survivorship and not as tenants in common	

Additional abbreviations may also be used though not on the above list.

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto
_____ (please insert Social Security or other identifying number of assignee)

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE OF ASSIGNEE

the within Debenture and all rights thereunder, hereby irrevocably constituting and appointing

Agent to transfer said Debenture on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement, or any change whatever.

Signature Guarantee: _____

SIGNATURE GUARANTEE

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE OF INCREASES OR DECREASES

The following increases or decreases in this Global Debenture
have been made:

Date	Amount of decrease in principal amount of Debenture evidenced by the Global Debenture	Amount of increase in principal amount of Debenture evidenced by the Global Debenture	Principal amount of Debenture evidenced by the Global Debenture following such decrease or increase	Signature of authorized officer of Trustee

EXHIBIT B

CERTIFICATE OF AUTHENTICATION

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

REGIONS BANK, as Trustee

By: _____

Authorized Officer

Dated:

Exhibit 4.5
to Registration Statement

REGISTRATION RIGHTS AGREEMENT

Dated as of August 26, 2002

between

CENTURYTEL, INC.

and

**BANC OF AMERICA SECURITIES LLC
J.P. MORGAN SECURITIES INC.
WACHOVIA SECURITIES, INC.**

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "Agreement") dated as of August 26, 2002, between CENTURYTEL, INC., a Louisiana corporation (the "Company"), BANC OF AMERICA SECURITIES LLC, J.P. MORGAN SECURITIES INC. and WACHOVIA SECURITIES, INC. (collectively, the "Initial Purchasers"). This Agreement is made pursuant to the Purchase Agreement, dated August 20, 2002 (the "Initial Placement"), between the Company, as the issuer of the Debentures (as defined herein), and the Initial Purchasers (the "Purchase Agreement"). The Debentures are to be issued pursuant to the provisions of an Indenture dated as of March 31, 1994 and a Second Supplemental Indenture dated as of August 20, 2002 (collectively, the "Indenture"), in each case, between the Company and Regions Bank (as successor-in-interest to First American Bank and Trust of Louisiana and Regions Bank of Louisiana), as trustee (the "Trustee"). The Indenture will provide that the Debentures will be convertible into fully paid, nonassessable shares of common stock, par value \$1.00 per share, of the Company on the terms, and subject to the conditions, set forth in the Indenture. To induce the Initial Purchasers to purchase the Debentures, the Company has agreed to provide the registration rights set forth in this Agreement for the benefit of the Holders (as defined herein).

1. CERTAIN DEFINITIONS.

For purposes of this Agreement, the following terms shall have the following respective meanings:

- (a) "Applicable Conversion Price" means, as of any date of determination, the aggregate principal amount per \$1,000 principal amount of Debentures as of such date of determination divided by the Conversion Rate in effect as of such date of determination or, if no Debentures are then outstanding, the Conversion Rate that would be in effect were any Debentures then outstanding.
- (b) "Business Day" shall have the meaning assigned such term in the Indenture.
- (c) "Closing Date" means the date on which the Debentures are initially issued.
- (d) "Commission" means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.
- (e) "Conversion Rate" shall have the meaning assigned such term in the Indenture.
- (f) "Debentures" means the 4.75% Convertible Senior Debentures, Series K, due 2032, issued under the Indenture and sold by the Company to the Initial Purchasers, and securities (other than the Shares) of the Company issued in exchange therefor or in lieu thereof

pursuant to the Indenture.

(g) "Deferral Notice" has the meaning assigned thereto in Section 3(g).

(h) "Deferral Period" has the meaning assigned thereto in Section 3(g).

(i) "Effective Time" means the time and date as of which the Commission declares the Shelf Registration Statement effective or as of which the Shelf Registration Statement otherwise becomes effective.

(j) "Exchange Act" means the Securities Exchange Act of 1934, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(k) "Holder" or "Holders" means the Initial Purchasers for so long as they own any Registrable Securities, and such of its respective successors and assigns who acquire Registrable Securities, directly or indirectly, from such person or from any successor or assign of such person, in each case for so long as such person is a registered owner of any Registrable Securities under the Indenture.

(l) "Material Event" has the meaning assigned thereto in Section 3(b)(vi).

(m) "Notice And Questionnaire" means a written notice delivered to the Company containing substantially the information called for by the Selling Security Holder Notice and Questionnaire attached as Annex A hereto.

(n) "Notice Holder" means, on any date, any Holder of the Registrable Securities that has delivered a completed and signed Notice and Questionnaire to the Company on or prior to such date.

(o) "Notice of Transfer" shall mean a Notice of Transfer pursuant to a Shelf Registration Statement substantially in the form of Annex B attached hereto.

(p) "Person" shall have the meaning assigned such term in the Indenture.

(q) "Prospectus" means the prospectus included in any Shelf Registration Statement, as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or explicitly deemed to be incorporated by reference in such Prospectus.

(r) "Registrable Securities" means the Securities; *provided, however*, that such Securities shall cease to be Registrable Securities when (i) in the circumstances contemplated by Section 2(a) of this Agreement, a registration statement registering such Securities under the Securities Act has been declared or becomes effective and such Securities have been sold or otherwise transferred by the Holder thereof pursuant to such effective registration statement; (ii) such Securities are sold pursuant to Rule 144 under circumstances in which any legend borne by such Securities relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed or such Securities are eligible to be sold pursuant to paragraph (k) of Rule 144; or (iii) such Securities shall cease to be outstanding (including, in the case of the Debentures, upon conversion into Shares).

(s) "Registration Default" has the meaning assigned thereto in Section 2(c).

(t) "Registration Default Damages" has the meaning assigned thereto in Section 2(c).

(u) "Registration Expenses" shall mean any and all expenses incident to performance of or compliance by the Company with this Agreement, including without limitation: (i) all Commission or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees; (ii) all fees and expenses incurred in connection with compliance with state securities or blue sky laws (including reasonable fees and disbursements of one firm acting as counsel for any underwriters or Holders in connection with blue sky qualification of any of the Registrable Securities) and compliance with the rules of the NASD; (iii) all expenses of any Persons in preparing or assisting in preparing, word processing, printing and distributing any registration statement pursuant to this Agreement, any Prospectus and any amendments or supplements thereto, and in preparing or assisting in preparing, printing and distributing such registration statement, any Prospectus and any amendments or supplements thereto, and in preparing or assisting in preparing, printing and distributing any underwriting agreements, securities sales agreements and other documents relating to the performance of and compliance with this Agreement; (iv) any fees charged by securities rating services for rating the Securities; (v) the fees and disbursements of counsel for the Company and of the independent certified public accountants of the Company, including the expenses of any "comfort" letters required by or incident to such performance and compliance; (vi) the fees and expenses of the Trustee, and any paying agent, transfer agent, exchange agent or custodian; (vii) all fees and expenses incurred in connection with the listing, if any, of any of the Securities on any securities exchange or exchanges; and (viii) the reasonable fees and expenses of any experts retained by the Company in connection with such registration statement.

(v) "Resale Period" means the period beginning on the date the Shelf Registration Statement becomes effective and ending on the earlier of (i) the date the Shelf Registration Statement ceases to be effective or (ii) the second anniversary of the Closing Date or any later closing date for the sale of Option Securities (as defined in the Purchase Agreement).

(w) " Rule 144," " Rule 405 " and " Rule 415 " means, in each case, such rule promulgated under the Securities Act.

(x) " Securities " means, collectively, the Debentures and the Shares.

(y) " Securities Act " means the Securities Act of 1933, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(z) " Shares " means the shares of common stock of the Company, par value \$1.00 per share, into which the Debentures are convertible pursuant to the Indenture or that have been issued upon any conversion of the Debentures into such common stock, including any other shares of capital stock or other securities of the Company into which such common stock may be reclassified or changed, together with any and all other securities that may from time to time be issuable upon conversion of the Debentures.

(aa) " Shelf Registration " has the meaning assigned thereto in Section 2(a).

(bb) " Shelf Registration Statement " has the meaning assigned thereto in Section 2(a).

(cc) " Trust Indenture Act " means the Trust Indenture Act of 1939, or any successor thereto, and the rules, regulations and forms promulgated thereunder, all as the same shall be amended from time to time.

(dd) " Underwriting Majority " means on any date, Holders holding at least a majority of the aggregate principal amount of the Registrable Securities outstanding on such date; *provided* , that for the purpose of this definition, a holder of Shares that constitute Registrable Securities and issued upon conversion of Debentures shall be deemed to hold an aggregate principal amount of Registrable Securities (in addition to the principal amount of Debentures held by such holder) equal to the product of (x) the number of Shares that are Registrable Securities held by such holder and (y) the then Applicable Conversion Price.

(ee) " Underwritten Offering " means a registration in which securities of the Company are sold to an underwriter for reoffering to the public.

Unless the context otherwise requires, any reference herein to a "section" or "clause" refers to a Section or clause, as the case may be, of this Agreement, and the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. REGISTRATION UNDER THE SECURITIES ACT .

(a) The Company agrees to file under the Securities Act as promptly as practicable but in any event within 90 days after the Closing Date a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (such registration, the " Shelf Registration " and such registration statement, the " Shelf Registration Statement "). The Company agrees to use its reasonable best efforts to cause the Shelf Registration Statement to become or be declared effective within 150 days after the Closing Date and to keep such Shelf Registration Statement continuously effective for a period ending on the earlier of (i) the time when the Debentures covered by the Shelf Registration Statement may be sold pursuant to Rule 144 (assuming that no Holder at such date or within the three-month period preceding such date was an affiliate of the Company) without any limitations under clauses (c), (e), (f) and (h) of Rule 144 or (ii) the date on which all Registrable Securities registered thereunder are disposed of in accordance with the Shelf Registration or in accordance with Rule 144.

(b) Each Holder of Registrable Securities agrees that if such Holder wishes to sell Registrable Securities pursuant to a Shelf Registration Statement and related Prospectus, it will do so only in accordance with this Section 2(b) and Section 3(g) of this Agreement. Not less than 30 calendar days prior to the date on which the Company intends in good faith to have the Shelf Registration Statement declared effective, the Company shall mail the Notice and Questionnaire to the Holders of Registrable Securities. The Company shall take action to name each Holder that is a Notice Holder as of the date that is 20 calendar days prior to the effectiveness of the Shelf Registration Statement so that such Holder is named as a selling securityholder in the Shelf Registration Statement at the time of its effectiveness and is permitted to deliver the Prospectus forming a part thereof as of such time to purchasers of such Holder's Registrable Securities in accordance with applicable law. After the Shelf Registration Statement has become effective, the Company shall, upon the request of any Holder of Registrable Securities, promptly send a Notice and Questionnaire to such Holder. From and after the date the Shelf Registration Statement is declared effective, the Company shall, as promptly as practicable after the date a Notice and Questionnaire is delivered to the Company, and in any event within 10 Business Days after such date, (i) if required by applicable law, file with the Commission a post-effective amendment to the Shelf Registration Statement or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling securityholder in the Shelf Registration Statement and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration Statement, the Company shall use its reasonable best efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable; (ii) provide such Holder copies

of any documents filed pursuant to Section 2(b)(i) upon written request; and (iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to Section 2(b)(i); *provided* that if such Notice and Questionnaire is delivered to the Company during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(g) of this Agreement. Notwithstanding anything contained herein to the contrary, the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Shelf Registration Statement or related Prospectus; *provided, however*, that any Holder that becomes a Notice Holder pursuant to the provisions of this Section 2(b) (whether or not such Holder was a Notice Holder at the time the Shelf Registration Statement was declared effective) shall be named as a selling securityholder in the Shelf Registration Statement or related Prospectus in accordance with the requirements of this Section 2(b).

(c) If any of the following events (any such event, a "Registration Default") shall occur, then liquidated damages (the "Registration Default Damages"), consisting solely of the payments referenced below in this paragraph, shall become payable in respect of the Securities (in addition to the interest otherwise due on the Debentures and on the regular interest dates relating to the Debentures to the holder of record entitled to receive such interest payment as set forth in the Indenture) as follows:

(i) if the Shelf Registration Statement is not filed with the Commission within 90 days after the Closing Date, then commencing on the 91st day after the Closing Date, Registration Default Damages shall accrue on the aggregate principal amount of any outstanding Debentures that are Registrable Securities and on the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 91st day and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(ii) if the Shelf Registration Statement is not declared effective by the Commission on or prior to the 150th day following the Closing Date, then commencing on the 151st day after the Closing Date, Registration Default Damages shall accrue on the aggregate principal amount of any outstanding Debentures that are Registrable Securities and on the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such 151st day and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(iii) if the Shelf Registration Statement has been declared effective but such Shelf Registration Statement ceases to be effective (other than pursuant to Section 3(g) of this Agreement) at any time prior to the earlier of (A) the time when the Debentures covered by the Shelf Registration Statement may be sold pursuant to Rule 144 under the Securities Act (assuming that no Holder at such date or within the three-month period preceding such date was an affiliate of the Company) without any limitations under clauses (c), (e), (f) and (h) of Rule 144 or (B) the date on which all Registrable Securities registered thereunder are disposed of in accordance therewith or in accordance with Rule 144, then commencing on the day such Shelf Registration Statement ceases to be effective, Registration Default Damages shall accrue on the aggregate principal amount of any outstanding Debentures that are Registrable Securities and the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days following such date on which the Shelf Registration ceases to be effective and an additional 0.25% per annum at the beginning of each subsequent 90-day period; or

(iv) if the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period pursuant to Section 3(g) of this Agreement, then commencing on the day the aggregate duration of Deferral Periods in any period exceeds the number of days permitted in respect of such period, Registration Default Damages shall accrue on the aggregate principal amount of any outstanding Debentures that are Registrable Securities and on the Applicable Conversion Price of any outstanding Shares that are Registrable Securities at a rate of 0.25% per annum for the first 90 days and an additional 0.25% per annum at the beginning of each subsequent 90-day period;

provided, however, that the Registration Default Damages rate on the Securities shall not exceed in the aggregate 0.50% per annum and the Company will not be required to pay Registration Default Damages for more than one Registration Default at a time; *provided further, however*, that (1) upon the filing of the Shelf Registration Statement (in the case of clause (i) above), (2) upon the effectiveness of the Shelf Registration Statement (in the case of clause (ii) above), (3) upon the effectiveness of the Shelf Registration Statement which had ceased to remain effective (in the case of clause (iii) above), (4) upon the termination of the Deferral Period that caused the limit on the aggregate duration of Deferral Periods in a period set forth in Section 3(g) to be exceeded (in the case of clause (iv) above) (5) upon the termination of certain transfer restrictions on the Securities as a result of the application of Rule 144(k) or (6) upon the date on which all Registrable Securities registered under the Shelf Registration Statement are disposed of in accordance therewith or in accordance with Rule 144, Registration Default Damages on the Securities as a result of such clause, as the case may be, shall cease to accrue. Within three Business Days of the occurrence or the termination of a Registration Default, the Company shall give the transfer and paying agent for its common stock, in the case of notice with respect to its common stock issued or issuable upon conversion of the Debentures, notice of such commencement or termination, of the obligation to pay Registration Default Damages with regard to such commencement or termination (such notice to be contained in an Officers' Certificate (as such term is used in the Indenture)), and prior to receipt of such Officers' Certificate the transfer and paying agent shall be entitled to assume that no such commencement has occurred, as the case may be. In the same manner, the Company shall notify the Trustee in writing within three Business Days of the occurrence or the termination of a Registration Default.

(d) The Company shall pay all Registration Expenses in connection with the registration pursuant to Section 2(a) hereof. Each Holder shall pay all expenses of its counsel, underwriting discounts and commissions and transfer taxes, if any, relating to the sale or disposition of such Holder's Registrable Securities pursuant to the Shelf Registration.

(e) Any reference herein to a registration statement shall be deemed to include any document incorporated therein by reference as of the applicable Effective Time and any reference herein to any post-effective amendment to a registration statement shall be deemed to include any document incorporated therein by reference as of a time after such Effective Time.

(f) Notwithstanding any other provision of this Agreement, a Holder of Registrable Securities who does not comply with the provisions of Section 2(b), if applicable, shall not be entitled to receive Registration Default Damages unless and until such Holder complies with the provisions of such section, if applicable.

3. REGISTRATION PROCEDURES.

The following provisions shall apply to a Shelf Registration Statement filed pursuant to Section 2 of this Agreement:

(a) At the Effective Time of the Shelf Registration Statement, the Indenture shall have been qualified under the Trust Indenture Act.

(b) In connection with the Company's obligations with respect to the Shelf Registration, the Company shall:

(i) prepare and file with the Commission the Shelf Registration Statement with respect to the Shelf Registration on any form which may be utilized by the Company and which shall permit the disposition of the Registrable Securities in accordance with the intended method or methods thereof, as specified in writing by the Holders of the Registrable Securities, furnish to the Holders of Registrable Securities, upon written request, copies of any such Registration Statement and use its reasonable best efforts to cause such Shelf Registration Statement to become effective in accordance with Section 2(a) above;

(ii) prepare and file with the Commission such amendments and supplements to the Shelf Registration Statement and the Prospectus included therein as may be necessary to effect and maintain the effectiveness of such Shelf Registration Statement for the period specified in Section 2(a) above and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such Shelf Registration Statement, and furnish to the Holders of the Registrable Securities, upon written request, copies of any such supplement or amendment promptly following it being used or filed with the Commission;

(iii) comply, as to all matters within the Company's reasonable control, with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by the Shelf Registration Statement in accordance with the intended methods of disposition by the Holders thereof provided for in such Shelf Registration Statement;

(iv) provide to any of (A) the Holders of the Registrable Securities to be included in a Shelf Registration Statement, (B) the underwriters (which term, for purposes of this Agreement, shall include a person deemed to be an underwriter within the meaning of Section 2(11) of the Securities Act), if any, thereof, (C) the sales or placement agent, if any, therefor, (D) counsel for such underwriters or agent and (E) not more than one counsel for all the Holders of such Registrable Securities who so request of the Company in writing the opportunity to participate in the preparation of such Shelf Registration Statement, upon written request, each Prospectus included therein or filed with the Commission and each amendment or supplement thereto;

(v) for a reasonable period prior to the filing of the Shelf Registration Statement, and throughout the period specified in Section 2(a), make reasonably available, upon request, during normal business hours by a representative of the Holders of the Registrable Securities and the other persons referred to in Section 3(b)(iv) above, such financial and other information and books and records of the Company, and cause the officers, employees, counsel and independent certified public accountants of the Company to respond to such inquiries, as shall be reasonably necessary, in the judgment of the respective counsel referred to in such Section, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; *provided, however*, that each such party shall be required to maintain in confidence and not to disclose to any other person any information or records reasonably designated by the Company in writing as being confidential, until such time as (A) such information becomes a matter of public record (whether by virtue of its inclusion in such registration statement or otherwise), or (B) such person shall be required so to disclose such information pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter (subject to the requirements of such order, and only after such person shall have given the Company prompt prior written notice of such requirement and the opportunity to contest the same or seek an appropriate protective order), or (C) such information is set forth in such Shelf Registration Statement or the Prospectus included therein or in an amendment to such Shelf Registration Statement or an amendment or supplement to such Prospectus in order that such Shelf Registration Statement, Prospectus, amendment or supplement, as the case may be, does not contain an untrue statement of a material fact or omit to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vi) promptly notify the selling Holders of Registrable Securities, the sales or placement agent, if any, therefor and the managing underwriter or underwriters, if any, thereof named in a Shelf Registration Statement or a supplement thereto, and confirm such notice in writing, (A) when such Shelf Registration Statement or the Prospectus included therein or any Prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such Shelf Registration Statement or any post-effective amendment, when the same has become effective, (B) of the issuance by the Commission of any stop order suspending the effectiveness of such Shelf Registration Statement or the initiation or written threat of any proceedings for that

purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (D) of the occurrence of (but not the nature of or details concerning) any event or the existence of any condition or fact (a " Material Event ") as a result of which such Shelf Registration Statement shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (*provided, however* , that no notice by the Company shall be required pursuant to this clause (D) in the event that the Company either promptly files a Prospectus supplement to update the Prospectus or a Current Report on Form 8-K or other appropriate Exchange Act report that is incorporated by reference into such Shelf Registration Statement, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading), (E) of the determination by the Company that a post-effective amendment to such Shelf Registration Statement will be filed with the Commission, which notice may, at the discretion of the Company (or as required pursuant to Section 3(g)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(g) shall apply, or (F) at any time when a Prospectus is required to be delivered under the Securities Act, that such registration statement, Prospectus, Prospectus supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act;

(vii) use reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the Shelf Registration Statement or any post-effective amendment thereto at the earliest practicable date;

(viii) if reasonably requested in writing by any managing underwriter or underwriters, any placement or sales agent or any Holder of Registrable Securities, promptly incorporate in a Prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission relating to the terms of the sale of such Registrable Securities, including information with respect to the principal amount or number of Registrable Securities being sold by such Holder or agent or to any underwriters, the name and description of such Holder, agent or underwriter, the offering price of such Registrable Securities and any discount, commission or other compensation payable in respect thereof, the purchase price being paid therefor by such underwriters and with respect to any other terms of the offering of the Registrable Securities to be sold by such Holder or agent or to such underwriters; and make all required filings of such Prospectus supplement or post-effective amendment promptly after notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(ix) upon written request, furnish to each Holder of Registrable Securities, each placement or sales agent, if any, therefor, each underwriter, if any, thereof and the respective counsel referred to in Section 3(b)(iv), an executed copy (or, in the case of a Holder of Registrable Securities, a conformed copy) of the Shelf Registration Statement, each such amendment or supplement thereto (in each case including all exhibits thereto) and such number of copies of such Shelf Registration Statement (excluding exhibits thereto) and of the Prospectus included in such Shelf Registration Statement (including each preliminary Prospectus and any summary Prospectus), in conformity in all material respects with the applicable requirements of the Securities Act and the Trust Indenture Act; and the Company hereby consents to the use in compliance with applicable law of such Prospectus (including any such preliminary or summary Prospectus) and any amendment or supplement thereto by each such Holder and by any such agent and underwriter, in each case in the form most recently provided to such person by the Company in connection with the offering and sale of the Registrable Securities covered by the Prospectus (including any such preliminary Prospectus) or any supplement or amendment thereto; and

(x) use all reasonable efforts to (A) register or qualify the Registrable Securities to be included in the Shelf Registration Statement under such securities laws or blue sky laws of such United States jurisdictions as any Holder of such Registrable Securities and each placement or sales agent, if any, therefor and underwriter, if any, thereof shall reasonably request, and (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period such Shelf Registration Statement is required to remain effective under Section 2(a) and for so long as may be necessary to enable any such Holder, agent or underwriter to complete its distribution of Securities pursuant to such Shelf Registration Statement but in any event not later than the date through which the Company is required to keep such Shelf Registration Statement effective pursuant to Section 2(a); *provided, however* , that the Company shall not be required for any such purpose to (1) qualify as a foreign corporation in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(b)(x), (2) consent to general service of process in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws or any agreement between it and its stockholders.

In case any of the foregoing obligations is dependent upon information provided or to be provided by a party other than the Company, such obligation shall be subject to the provision of such information by such party; *provided* that the Company shall use its commercially reasonable efforts to obtain the necessary information from any party responsible for providing such information.

(c) In the event that the Company would be required, pursuant to Section 3(b)(vi)(D), to notify the selling Holders of Registrable Securities, the placement or sales agent, if any, therefor or the managing underwriters, if any, thereof named in the Shelf Registration Statement or a supplement thereto of the existence of the circumstances described therein, the Company shall furnish to each of the selling Holders, to each placement or sales agent, if any, and to each such underwriter, if any, a reasonable number of copies of a

Prospectus supplemented or amended in the manner required under Section 3(f) hereof, so that, as thereafter delivered to purchasers of Registrable Securities, such Prospectus shall conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and shall not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each selling Holder of Registrable Securities agrees that upon receipt of any notice from the Company, pursuant to Section 3(b)(vi)(D), such Holder shall forthwith discontinue (and cause any placement or sales agent or underwriters acting on their behalf to discontinue) the disposition of Registrable Securities pursuant to the Shelf Registration Statement applicable to such Registrable Securities until such Holder (i) shall have received copies of such amended or supplemented Prospectus and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Registrable Securities at the time of receipt of such notice or (ii) shall have received written notice from the Company that the disposition of Registrable Securities pursuant to the Shelf Registration Statement may continue.

(d) In addition to the information required to be provided by each selling Holder in its Notice and Questionnaire, the Company may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act or state securities or blue sky laws. Each such Holder agrees to notify the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Company or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and promptly to furnish to the Company any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Each such Holder further agrees that in the event the amount of Registrable Securities that are beneficially owned by such Holder and are registered pursuant to such Shelf Registration Statement is reduced due to a sale of such Registrable Securities under such Registration, such Holder shall deliver to the Company and the Trustee, at the time of such sale, a Notice of Transfer.

(e) Until the earlier of (i) the expiration of two years after the Closing Date or (ii) such time as the Shelf Registration Statement has become or has been declared effective by the Commission, the Company will not, and will not permit any of its "affiliates" (as defined in Rule 144) to, resell any of the Securities which constitute "restricted securities" under Rule 144 that have been reacquired by any of them, except for Securities purchased by the Company or any of such affiliates and resold in a transaction registered under the Securities Act.

(f) Subject to Section 3(g) hereof, upon the occurrence of a Material Event, the Company shall as promptly as practicable prepare and file a post-effective amendment to the Shelf Registration Statement or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration Statement and related Prospectus so that such Shelf Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration Statement, use all commercially reasonable efforts to cause it to be declared effective by the Commission as promptly as is reasonably practicable.

(g) Upon the occurrence or existence of any pending corporate development or any other Material Event that, in the sole judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration Statement and the related Prospectus, the Company shall give written notice (without notice of the nature or details of such events) to the Notice Holders that the availability of the Shelf Registration Statement is suspended (a " Deferral Notice ") and, upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement until such Notice Holder's receipt of copies of the supplemented or amended Prospectus provided for in Section 3(f) above, or until it is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. The period during which the availability of the Shelf Registration Statement and any Prospectus is suspended (the " Deferral Period ") shall, without the Company incurring any obligation to pay liquidated damages pursuant to Section 2(c) above, not exceed forty-five (45) days in any consecutive three (3) month period or ninety (90) days in any consecutive twelve (12) month period.

(h) The Company shall cause all Shares issued or issuable upon conversion of the Debentures to be listed on each securities exchange or quotation system on which the Company's common stock, par value \$1.00 per share, is then listed no later than the date a Shelf Registration Statement is declared effective and, in connection therewith, to make such filings as may be required under the Exchange Act and to have such filings declared effective as and when required thereunder.

4. HOLDER'S OBLIGATIONS.

Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration Statement or to receive a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(b) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence. Each Notice Holder agrees promptly to furnish

to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Shelf Registration Statement under applicable law or pursuant to Commission comments and otherwise agrees to comply with Section 3(d) hereof. Each Holder further agrees not to sell any Registrable Securities pursuant to the Shelf Registration Statement without delivering, or causing to be delivered, a Prospectus to the purchaser thereof and, following termination of the Resale Period, to notify the Company, within 10 business days of request, of the amount of Registrable Securities sold pursuant to the Shelf Registration Statement and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold.

5. UNDERWRITTEN OFFERINGS.

- (a) The Underwriting Majority may sell its Registrable Securities in an Underwritten Offering pursuant to the Shelf Registration Statement only with the Company's consent, which consent shall not be unreasonably withheld.
- (b) No holder may participate in any Underwritten Offering hereunder unless such Holder:
 - (i) agrees to sell such Holder's Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements; and
 - (ii) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents reasonably required under the terms of such underwriting arrangements.
- (c) In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering shall be designated by the Company, subject to the consent of Holders holding at least a majority in aggregate principal amount of the Registrable Securities (calculated in accordance with Section 1(dd)) to be included in such Underwritten Offering (which shall not be unreasonably withheld or delayed); *provided* that such Holders shall be responsible for all underwriting commissions and discounts in connection therewith.
- (d) In connection with any Underwritten Offering, underwriters' counsel shall be Pillsbury Winthrop LLP or such other counsel reasonably acceptable to the Company.

6. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants to, and agrees with, the Initial Purchasers and each of the other Holders from time to time of Registrable Securities that:

- (a) Each registration statement covering Registrable Securities and each Prospectus (including any preliminary or summary Prospectus) contained therein or furnished pursuant to Section 3(b) hereof and any further amendments or supplements to any such registration statement or Prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a Prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to Holders of Registrable Securities pursuant to Section 3(b)(vi)(D) hereof until (ii) such time as the Company furnishes an amended or supplemented Prospectus pursuant to Section 3(c) hereof or such time as the Company provides notice that offers and sales pursuant to the Shelf Registration Statement may continue, each such registration statement, and each Prospectus (including any summary Prospectus) contained therein or furnished pursuant to Section 3(b) hereof, as then amended or supplemented, will conform in all material respects to the applicable requirements of the Securities Act and the Trust Indenture Act; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a Holder of Registrable Securities expressly for use therein.
- (b) Any documents incorporated by reference in any Prospectus referred to in Section 6(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a Holder of Registrable Securities expressly for use therein.
- (c) The consummation of the transactions contemplated hereby will not result in the creation or imposition of any lien, charge or encumbrance upon any of the assets of the Company or any of the Subsidiaries (as defined in the Purchase Agreement) pursuant to the terms of, or result in a breach or violation of any of the terms or provisions of, or constitute a default under, or give any other party a right to terminate any of its obligations under, or result in the acceleration of any obligation under, the articles of incorporation or by-laws (or comparable instruments) of the Company or any of the Subsidiaries, any indenture, mortgage, deed of trust, voting trust agreement, loan agreement, bond, debenture, note agreement or other evidence of indebtedness, lease, contract or other agreement or instrument to which the

Company or any of the Subsidiaries is a party or by which the Company or any of its Subsidiaries or any of their respective properties is or are bound or affected, or violate or conflict with any franchise or any judgment, ruling decree, order, statute, law, rule or regulation of any court or other governmental agency or body applicable to the business or properties of the Company or any of the Subsidiaries; and no consent, approval, authorization or order of, or any filing, registration, qualification or declaration with, any court or federal, state or local governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Securities Act contemplated hereby, the qualification of the Indenture under the Trust Indenture Act and except such as may be required under state securities or blue sky laws.

(d) This Agreement has been duly authorized, executed and delivered by the Company.

7. INDEMNIFICATION.

(a) Indemnification By The Company. The Company shall, and it hereby agrees to, indemnify and hold harmless each of the Holders of Registrable Securities included in the Shelf Registration Statement, and each person who is named in such Shelf Registration Statement or a supplement thereto as an underwriter in any offering or sale of such Registrable Securities and each person who controls any such person (each, a "Participant") against any losses, claims, damages or liabilities (or actions in respect thereof), joint or several, to which such Participant may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any such Participant, or any amendment or supplement thereto, or arise out of or are based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and to reimburse such Participant for any legal or other expenses reasonably incurred by them in connection with investigating or defending any action or claim as such expenses are incurred; *provided, however*, that the Company shall not be liable to any such Participant in any such case to the extent that any such loss, claim, damage, liability or action (i) arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by such Participant expressly for use therein. The foregoing indemnity with respect to any preliminary prospectus shall not inure to the benefit of any Participant from whom the person asserting any such losses, claims, damages or liabilities purchased Registrable Securities if a copy of the Prospectus (as then amended or supplemented if the Company shall have furnished any amendments or supplements thereto) was not sent or given by or on behalf of such Participant to such person, if required by law so to have been delivered, at or prior to the written confirmation of the sale of the Registrable Securities to such person, and if the Prospectus (as so amended or supplemented) would have cured the defect giving rise to such losses, claims, damages or liabilities.

(b) Indemnification By Participants. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to Section 2(a) hereof and to entering into any underwriting agreement with respect thereto, that it shall have received an undertaking reasonably satisfactory to it from the Holders of such Registrable Securities and from each underwriter named in any such underwriting agreement, severally and not jointly, to (i) indemnify and hold harmless the Company and all other holders of Registrable Securities, against any losses, claims, damages or liabilities (or actions in respect thereof) to which the Company or such other holders of Registrable Securities may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in such registration statement, or any preliminary, final or summary prospectus contained therein or furnished by the Company to any Holder, agent or underwriter, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Holder or underwriter pertaining to such Holder or underwriter expressly for use therein, and (ii) reimburse the Company for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; *provided, however*, that no such Holder shall be required to undertake liability to any person under this Section 7(b) for any amounts in excess of the dollar amount of the proceeds to be received by such Holder from the sale of such Holder's Registrable Securities pursuant to such registration.

(c) Notices Of Claims, Etc. Promptly after receipt by an indemnified party under Section 7(a) or (b) of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under Section 7(a) or (b). In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party). Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party shall not be liable to such indemnified party under Section 7(a) or (b) for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party (other than reasonable costs of investigation) in connection with the defense thereof. In any such action, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and

representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include any statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) Contribution. If for any reason the indemnification provisions contemplated by Section 7(a) or (b) are unavailable or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by such indemnifying party on the one hand and such indemnified party on the other from the Initial Placement and any sales of Registrable Securities under the Shelf Registration Statement; provided, however, that in no case shall the Initial Purchasers be responsible, in the aggregate, for any amount in excess of the purchase discount or commission applicable to the Debentures, as set forth in the Purchase Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under Section 7(c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the Initial Placement (before deducting expenses other than purchase discounts and commissions). Benefits received by the Initial Purchasers shall be deemed to be equal to the total purchase discounts and commissions received in connection with the Initial Placement, and benefits received by any other Holders shall be deemed to be equal to the value of receiving Registrable Securities registered under the Securities Act. Benefits received by any underwriter shall be deemed to be equal to the total underwriting discounts and commissions, as set forth on the cover page of the Prospectus forming a part of the Shelf Registration Statement which resulted in losses, claims, damages or liabilities (or actions in respect thereof). The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party on the one hand or by such indemnified party on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were determined by pro rata allocation (even if the Holders or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 7(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), no Holder shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such Holder from the sale of any Registrable Securities (after deducting any fees, discounts and commissions applicable thereto) exceeds the amount of any damages which such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' and any underwriters' obligations in this Section 7(d) to contribute shall be several in proportion to the principal amount of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) Obligations not limited by this provision. The obligations of the Company under this section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Participant within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act; and the obligations of the Participants under this section shall be in addition to any liability which the respective Participants may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company and to each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act.

8. RULE 144.

The Company covenants to the Holders of Registrable Securities that to the extent it shall be required to do so under the Exchange Act, the Company shall use commercially reasonable efforts to timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144), or, if it ceases to be so required to file such reports, the Company will upon the request of any Holder or beneficial owner of the Registrable Securities make publicly available the information specified in subparagraph (c)(2) of Rule 144, all to the extent required from time to time to enable a Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the written request of any Holder of Registrable Securities in connection with that Holder's sale pursuant to Rule 144, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

9. MISCELLANEOUS.

(a) Notices. All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand, if delivered personally or by courier, or three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: If to the Company, to it at 100 CenturyTel Drive, Monroe, Louisiana 71203, Attention: Harvey P. Perry, Executive Vice President, Chief Administrative Officer, General Counsel and Secretary; if to the Initial Purchasers, to it at the address for the Initial Purchasers set forth in the Purchase Agreement; and if to a Holder, to the address of such Holder set forth in the security register, a Notice and Questionnaire or other records of the Company or to such other address as the Company or any such Holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(b) Parties In Interest. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto. In the event that any transferee of any Holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a party hereto for all purposes and such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by and to perform, all of the applicable terms and provisions of this Agreement.

(c) Survival. The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable Securities, any director, officer or partner of such Holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(d) LAW GOVERNING. THIS REGISTRATION RIGHTS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(e) Headings. The descriptive headings of the several Sections and paragraphs of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

(f) No Inconsistent Agreements. The Company has not entered into nor will the Company on or after the date of this Agreement enter into any agreement that is inconsistent with the rights granted to the Holders of Registrable Securities in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's other issued and outstanding securities under any such agreements.

(g) Entire Agreement; Amendments. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given unless the Company has obtained the written consent of an Underwriting Majority affected by such amendment, modification, supplement, waiver or departure. Notwithstanding the foregoing sentence, (i) this Agreement may be amended, without the consent of any Holder of Registrable Securities, by written agreement signed by the Company and the Initial Purchasers, to cure any ambiguity, correct or supplement any provision of this Agreement that may be inconsistent with any other provision of this Agreement or to make any other provisions with respect to matters or questions arising under this Agreement that shall not be inconsistent with other provisions of this Agreement, (ii) this Agreement may be amended, modified or supplemented, and waivers and consents to departures from the provisions hereof may be given, by written agreement signed by the Company and the Initial Purchasers to the extent that any such amendment, modification, supplement, waiver or consent is, in their reasonable judgment, necessary or appropriate to comply with applicable law (including any interpretation of the staff of the SEC) or any change therein and (iii) to the extent any provision of this Agreement relates to the Initial Purchasers, such provision may be amended, modified or supplemented, and waivers or consents to departures from such provisions may be given, by written agreement signed by the Initial Purchasers and the Company.

(h) Counterparts. This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

(i) Third Party Beneficiary. Each of the Holders shall be a third party beneficiary of the agreements made hereunder between the Company on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent it deems such enforcement necessary or advisable to protect its rights or the rights of Holders hereunder.

(j) Securities Held By the Company or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Securities is required hereunder, Registrable Securities held by the Company or its affiliates (as such term is defined in Rule 405) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CenturyTel, Inc.

By: /s/ R. Stewart Ewing, Jr.
Name: R. Stewart Ewing, Jr.
Title: Executive Vice President and
Chief Financial Officer

Banc Of America Securities LLC
J.P. Morgan Securities Inc.
Wachovia Securities, Inc.

By: Banc of America Securities LLC

By: /s/ William C. Caccamise
Name: William C. Caccamise
Title: Managing Director

ANNEX A

FORM OF SELLING SECURITYHOLDER NOTICE AND QUESTIONNAIRE

The undersigned beneficial holder of 4.75% Convertible Senior Debentures, Series K, due 2032 (the "debentures") of CenturyTel, Inc. (the "Company") or shares of common stock, par value \$1.00 per share (the "common stock" and, together with the debentures, the "Registrable Securities"), of the Company understands that the Company has filed or intends to file with the Securities and Exchange Commission a registration statement on Form S-3 (the "Shelf Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the "Securities Act"), of the Registrable Securities in accordance with the terms of the Registration Rights Agreement, dated as of August 26, 2002 (the "Registration Rights Agreement"), between the Company and the Initial Purchasers named therein. The Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Registration Rights Agreement.

Each beneficial owner of Registrable Securities is entitled to the benefits of the Registration Rights Agreement. In order to sell or otherwise dispose of any Registrable Securities pursuant to the Shelf Registration Statement, a beneficial owner of Registrable Securities generally will be required to be named as a selling securityholder in the related prospectus, deliver a prospectus to purchasers of Registrable Securities and be bound by those provisions of the Registration Rights Agreement applicable to such beneficial owner (including certain indemnification provisions as described below). Beneficial owners are encouraged to complete and deliver this Notice and Questionnaire prior to the effectiveness of the Shelf Registration Statement so that such beneficial owners may be named as selling securityholders in the related prospectus at the time of effectiveness. Upon receipt of a completed Notice and Questionnaire from a beneficial owner following the effectiveness of the Shelf Registration Statement, the Company will, as promptly as practicable but in any event within five business days of such receipt, file such amendments to the Shelf Registration Statement or supplements to the related prospectus as are necessary to permit such holder to deliver such prospectus to purchasers of Registrable Securities.

Certain legal consequences arise from being named as a selling securityholder in the Shelf Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Shelf Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Securityholder") of Registrable Securities hereby gives notice to the Company of its intention to sell or otherwise dispose of Registrable Securities beneficially owned by it and listed below in Item 3 (unless otherwise specified under Item 3) pursuant to the Shelf Registration Statement. The undersigned, by signing and returning this Notice and Questionnaire, understands and agrees that it will be bound by the terms and conditions of this Notice and Questionnaire and the Registration Rights Agreement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate and complete:

QUESTIONNAIRE

1. (a) Full legal name of Selling Securityholder:

(b) Full legal name of registered Holder (if not the same as (a) above) through which Registrable Securities listed in (3) below are held:

(c) Full legal name of DTC participant (if applicable and if not the same as (b) above) through which Registrable Securities listed in (3) below are held:

2. Address for notices to Selling Securityholder:

Telephone (including area code):

Fax (including area code):

Contact Person:

3. Beneficial ownership of Registrable Securities:

(a) Type and Principal Amount of Registrable Securities beneficially owned:

(b) CUSIP No(s). of such Registrable Securities beneficially owned:

4. Beneficial ownership of the Company securities owned by the Selling Securityholder:

EXCEPT AS SET FORTH BELOW IN THIS ITEM (4), THE UNDERSIGNED IS NOT THE BENEFICIAL OR REGISTERED OWNER OF ANY SECURITIES OF THE COMPANY OTHER THAN THE REGISTRABLE SECURITIES LISTED ABOVE IN ITEM (3).

(a) Type and Amount of other Company securities beneficially owned by the Selling Securityholder:

(b) CUSIP No(s). of such other Company securities beneficially owned:

5. Relationship with the Company:

EXCEPT AS SET FORTH BELOW, NEITHER THE UNDERSIGNED NOR ANY OF ITS AFFILIATES, OFFICERS, DIRECTORS OR PRINCIPAL EQUITY HOLDERS (5% OR MORE) HAS HELD ANY POSITION OR OFFICE OR HAS HAD ANY OTHER MATERIAL RELATIONSHIP WITH THE COMPANY (OR ITS PREDECESSORS OR AFFILIATES) DURING THE PAST THREE YEARS.

State any exceptions here:

6. Plan of distribution:

EXCEPT AS SET FORTH BELOW, THE UNDERSIGNED (INCLUDING ITS DONEES OR PLEDGEEES) INTENDS TO DISTRIBUTE THE REGISTRABLE SECURITIES LISTED ABOVE IN ITEM (3) PURSUANT TO THE SHELF REGISTRATION STATEMENT ONLY AS FOLLOWS (IF AT ALL): SUCH REGISTRABLE SECURITIES MAY BE SOLD FROM TIME TO TIME DIRECTLY BY THE UNDERSIGNED OR ALTERNATIVELY, THROUGH UNDERWRITERS, IN ACCORDANCE WITH THE REGISTRATION RIGHTS AGREEMENT, BROKER-DEALERS OR AGENTS. IF THE REGISTRABLE SECURITIES ARE SOLD THROUGH UNDERWRITERS OR BROKER-DEALERS OR AGENTS, THE SELLING SECURITYHOLDER WILL BE RESPONSIBLE FOR UNDERWRITING DISCOUNTS OR COMMISSIONS OR AGENT'S COMMISSIONS. SUCH REGISTRABLE SECURITIES MAY BE SOLD IN ONE OR MORE TRANSACTIONS AT FIXED PRICES, AT PREVAILING MARKET PRICES AT THE TIME OF SALE, AT VARYING PRICES DETERMINED AT THE TIME OF SALE, OR AT NEGOTIATED PRICES. SUCH SALES MAY BE EFFECTED IN TRANSACTIONS (WHICH MAY INVOLVE BLOCK TRANSACTIONS) (I) ON ANY NATIONAL SECURITIES EXCHANGE OR QUOTATION SERVICE ON WHICH THE REGISTRABLE SECURITIES MAY BE LISTED OR QUOTED AT THE TIME OF SALE, (II) IN THE OVER-THE-COUNTER MARKET, (III) IN TRANSACTIONS OTHERWISE THAN ON SUCH EXCHANGES OR SERVICES OR IN THE OVER-THE-COUNTER MARKET OR (IV) THROUGH THE WRITING OF OPTIONS. IN CONNECTION WITH SALES OF THE REGISTRABLE SECURITIES OR OTHERWISE, THE UNDERSIGNED MAY ENTER INTO HEDGING TRANSACTIONS WITH BROKER-DEALERS, WHICH MAY IN TURN ENGAGE IN SHORT SALES OF THE REGISTRABLE SECURITIES, SHORT AND DELIVER REGISTRABLE SECURITIES TO CLOSE OUT SUCH SHORT POSITIONS, OR LOAN OR PLEDGE REGISTRABLE SECURITIES TO BROKER-DEALERS THAT IN TURN MAY SELL SUCH SECURITIES.

State any exceptions here:

NOTE: In no event will such method(s) of distribution take the form of an underwritten offering of the Registrable Securities without the prior agreement of the Company.

thereunder relating to stock manipulation, particularly Regulation M thereunder (or any successor rules or regulations), and the provisions of the Securities Act relating to prospectus delivery in connection with any offering of Registrable Securities pursuant to the Shelf Registration Statement. The undersigned agrees that neither it nor any person acting on its behalf will engage in any transaction in violation of such provisions.

The Selling Securityholder hereby acknowledges its obligations under the Registration Rights Agreement to indemnify and hold harmless certain persons as set forth therein.

Pursuant to the Registration Rights Agreement, the Company has agreed under certain circumstances to indemnify the Selling Securityholders against certain liabilities.

In accordance with the undersigned's obligation under the Registration Rights Agreement to provide such information as may be required by law for inclusion in the Shelf Registration Statement, the undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Shelf Registration Statement remains effective. All notices hereunder and pursuant to the Registration Rights Agreement shall be made in writing at the address set forth below.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to items (1) through (6) above and the inclusion of such information in the Shelf Registration Statement and the related prospectus. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Shelf Registration Statement and the related prospectus.

IN WITNESS WHEREOF, the undersigned, by authority duly given, has caused this Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

Dated:

Beneficial Owner:

By: _____

Name:

Title:

PLEASE RETURN THE COMPLETED AND EXECUTED NOTICE
AND QUESTIONNAIRE TO:

CenturyTel, Inc.
100 CenturyTel Drive, Monroe, Louisiana 71203
Attention: Secretary

ANNEX B

NOTICE OF TRANSFER PURSUANT TO REGISTRATION STATEMENT

Attention: Trust Officer

Re: CenturyTel, Inc. (the "Company")
4.75% Convertible Senior Debentures, Series K, due 2032

Dear Sirs:

Please be advised that _____ has transferred \$_____ aggregate principal amount of the above-referenced Debentures (or _____ shares of the Company's common stock, par value \$1.00 per share, issued upon conversion of such Debentures) pursuant to an effective Registration Statement on Form S-4 (File No. 333-____) filed by the Company.

We hereby certify that the above-named beneficial owner of the Debentures (or such shares of common stock) is named as a "Selling Holder"

in the Prospectus dated, _____, 20__ or in supplements thereto, and that the aggregate principal amount of the Debentures (or number of shares of such common stock) transferred are the Debentures (or such shares of common stock) listed in such Prospectus opposite such owner's name.

Dated:

Very truly yours,

(Name)

By: _____
(Authorized Signature)

**Exhibit 5.1
to Registration Statement**

[Letterhead of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

October 9, 2002

CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203

Re: Registration Statement on Form S-3
CenturyTel, Inc.

Ladies and Gentlemen:

We have acted as special counsel to CenturyTel, Inc. ("CenturyTel") in connection with the preparation of CenturyTel's Registration Statement on Form S-3 (the "Registration Statement") filed on or about the date hereof with the Securities and Exchange Commission under the Securities Act of 1933, as amended, relating to the registration of the resale of (i) \$165 million aggregate principal amount of 4.75% Convertible Senior Debentures, Series K, due 2032 (the "Debentures") issued by CenturyTel pursuant to an Indenture, dated as of March 31, 1994, as supplemented through and including the Second Supplemental Indenture thereto dated as of August 20, 2002 (the "Indenture"), between CenturyTel and Regions Bank, as trustee, and (ii) 4,078,602 shares of the CenturyTel's common stock, par value \$1.00 per share (the "Common Stock"), issuable upon conversion of the Debentures, plus such indeterminate number of shares of Common Stock as may become issuable by means of an adjustment to the conversion price of the Debentures (collectively, the "Conversion Shares").

In rendering the opinions set forth below, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents and are relying upon the truth and accuracy of the statements, covenants, representations and warranties set forth therein: (i) the Registration Statement; (ii) the Indenture; (iii) the global certificates representing the Debentures; (iv) minutes from the meetings of the Board of Directors of CenturyTel held on February 22, 1994 and February 26, 2002 and resolutions adopted by the Special Pricing Committee of the Board of Directors of CenturyTel on August 20, 2002; (v) CenturyTel's amended and restated articles of incorporation and CenturyTel's bylaws, as amended, each as certified to our satisfaction, and (vi) certain certificates, documents and other instruments delivered prior to the date hereof in connection with the issuance of the Debentures, including, without limitation, certain opinions and certificates delivered to the initial purchasers of the Debentures and certificates and orders relating to the authentication and delivery of the Debentures. We have also, without independent investigation or verification, relied upon factual representations made by CenturyTel during the course of our representation and upon such other documents, records, certificates and other instruments, including certificates or other written or oral advice of officers of CenturyTel, as we considered necessary or appropriate in connection with rendering the opinions expressed below.

In our examination of such documents, we have assumed without independent verification (i) that each of the documents and instruments reviewed by us has been duly authorized, executed and delivered by each of the parties thereto other than CenturyTel and is enforceable against such parties in accordance with the terms thereof, (ii) the authenticity of all documents and instruments submitted to us as originals, (iii) the conformity to the originals of all documents and instruments submitted to us as conformed, certified or photostatic copies, (iv) the accuracy and completeness of all corporate records made available to us by CenturyTel, (v) the absence of any other documents, instruments, records, agreements or understandings that alter, modify or change in any way the terms of the Indenture or the Debentures, or the validity or accuracy of the representations made to us orally or as set forth in any documents, instruments, records or agreements provided to or reviewed by us, (vi) the genuineness of all signatures on all documents and instruments examined by us and (vii) the power and legal capacity of all persons (other than CenturyTel) who have executed documents reviewed by us hereunder.

Based upon the foregoing and subject to the following qualifications and comments, we are of the opinion that:

1. The Debentures are valid and binding obligations of CenturyTel, enforceable against CenturyTel in accordance with their terms and entitled to the benefits of the Indenture, except that (a) the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar laws, now or hereafter in effect, relating to creditors' rights generally, (b) the enforceability thereof is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or equity) and that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought and (c) certain provisions contained in the Indenture and Debentures relating to remedies may be limited by public policy, equitable principles or other provisions of applicable laws, rules, regulations, court decisions or constitutional requirements.

2. The Conversion Shares have been duly authorized, and, if and when issued by CenturyTel upon conversion of the Debentures in accordance with the terms of the Debentures and the Indenture, will be validly issued, fully paid and nonassessable.

The foregoing opinions are subject to the following exceptions, qualifications, and comments:

(a) In connection with our foregoing opinions, we have assumed that neither the issuance and delivery of the Debentures, nor the compliance by CenturyTel with the terms of the Debentures, will violate any applicable law or regulation (including those relating to the regulation of communications companies) or will result in a violation of any provision of any instrument or agreement then binding upon CenturyTel, or any restriction imposed by any court or governmental body having jurisdiction over CenturyTel or its assets.

(b) We are members of the bar of the State of Louisiana and do not purport to be experts on the laws of any other jurisdiction. The opinions rendered herein are specifically limited to currently applicable United States federal law and the laws of the State of Louisiana, in each case subject to paragraph (a) above and in each case solely as they relate to the opinions expressed herein.

(c) The foregoing opinion regarding the enforceability of the Debentures is subject to the following exceptions, qualifications and comments:

(i) the possible unenforceability of provisions permitting modifications of an agreement only in writing;

(ii) the possible unenforceability of provisions that the terms of an agreement are severable;

(iii) the effect of laws requiring mitigation of damages;

(iv) the effect and possible unenforceability of contractual provisions providing for choice of governing law;

(v) the possible unenforceability of provisions requiring indemnification for, or providing exculpation, release or exemption from liability for, action or inaction, to the extent such action or inaction involves negligence or willful misconduct or to the extent otherwise contrary to public policy;

(vi) the possible unenforceability of waivers or advance consents that have the effect of waiving a party's unmaturing rights;

(vii) the possible unenforceability of provisions that waivers or consents by a party may not be given effect unless in writing or in compliance with particular requirements or that a person's course of dealing, course of performance, or the like or failure or delay in taking actions may not constitute a waiver of related rights or provisions or that one or more waivers may not constitute a waiver of related rights or provisions or that one or more waivers may not under certain circumstances constitute a waiver of other matters of the same kind; and

(viii) the possible unenforceability of provisions permitting the exercise, under certain circumstances, of rights without notice or without providing opportunity to cure failures to perform.

(d) All opinions rendered herein are as of the date hereof and are based upon the circumstances that exist at the present time, including, without limitation, statutes, cases, regulations, facts and circumstances as they currently exist, all of which are subject to change. We assume no obligation to update or supplement this letter or the opinions given herein to reflect any facts or circumstances which may hereafter come to our attention, or any changes in laws or interpretations thereof which may hereafter occur.

(e) Except as to the matters, documents and transactions specifically addressed herein, we express no opinion whatsoever, and no opinion whatsoever is to be inferred, as to any other matter, document or transaction.

This opinion is furnished to you in connection with the filing of the Registration Statement and is not to be used, circulated, quoted or otherwise relied upon for any other purpose.

We hereby consent to the use of this opinion as an exhibit to the Registration Statement and to the reference to our name in the prospectus contained therein. In giving this consent, we do not admit that we are within the category of persons whose consent is required

under Section 7 of the Securities Act of 1933 or the general rules and regulations of the Securities and Exchange Commission.

Yours very truly,

Jones, Walker, Waechter, Poitevent,
Carrère & Denègre, L.L.P.

By: /s/ Kenneth J. Najder

Kenneth J. Najder
Partner

Exhibit 8.1
to Registration Statement

[Letterhead of Jones, Walker, Waechter, Poitevent, Carrère & Denègre, L.L.P.]

October 9, 2002

CenturyTel, Inc.
100 CenturyTel Drive
Monroe, Louisiana 71203

RE: Registration Statement on Form S-3
CenturyTel, Inc.

Ladies and Gentlemen:

We have acted as tax counsel to CenturyTel, Inc. ("CenturyTel") in connection with its issuance of \$165 million aggregate principal amount of 4.75% Convertible Senior Debentures, Series K, due 2032 (the "Debentures"), which are convertible into shares of CenturyTel's common stock, par value \$1.00 per share (the "Common Stock" and together with the Debentures, the "Securities"). The Securities are described in the Prospectus (the "Prospectus"), which forms a part of the registration statement on Form S-3 filed by CenturyTel with the Securities and Exchange Commission on or about the date hereof (the "Registration Statement"). Capitalized terms used herein that are not otherwise defined herein have the meaning assigned to such terms in the Registration Statement.

In rendering the opinion set forth below, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following documents and are relying upon the truth and accuracy of the statements, covenants, representations and warranties set forth therein: (i) the Registration Statement and Prospectus; (ii) the Indenture, dated as of March 31, 1994, as supplemented through and including the Second Supplemental Indenture thereto dated as of August 20, 2002 between CenturyTel and Regions Bank, as trustee; (iii) the global certificates representing the Debentures; and (iv) such other agreements and documents as we have considered necessary or appropriate for the purpose of rendering the opinion set forth below.

Based on our examination of the foregoing items and subject to the assumptions, exceptions, limitations and qualifications set forth herein, we are of the opinion that the discussion regarding the United States federal income tax consequences relating to the purchase, ownership and disposition of the Securities set forth in the Prospectus under the heading "Certain United States Federal Income Tax Consequences," insofar as it purports to constitute summaries of matters of current United States federal tax law and regulations or legal conclusions with respect thereto, constitutes accurate summaries of the matters described therein in all material respects.

In our examination of the materials referred to above, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to original documents of all copies of documents submitted to us. In addition, we also have assumed that factual representations made to us are true, correct and complete and that the transactions related to the issuance, sale, exchange, conversion or redemption of the Securities have been or will be consummated in accordance with the terms of the documents described herein. If any of the above described assumptions are untrue for any reason or if the issuance, sale, exchange, conversion or redemption of the Securities is consummated in a manner that is inconsistent with the manner in which such transactions are described in the Prospectus and Registration Statement, our opinions as expressed above may be adversely affected and may not be relied upon.

We express no opinion with respect to the transactions referred to herein or in the Prospectus and Registration Statement other than as expressly set forth herein.

Our opinions are based upon the Internal Revenue Code of 1986, as amended, the Treasury regulations promulgated thereunder and other relevant authorities and law, all as in effect on the date hereof. Consequently, future changes in the law may cause the tax treatment of the transactions referred to herein to be materially different from that described in the Prospectus and Registration Statement. We disclaim any undertaking to advise you of any subsequent changes of the matters stated, represented or assumed herein or any subsequent changes in applicable law, regulations or interpretations thereof.

We are members of the Bar of the State of Louisiana, and we do not express any opinion herein concerning any law other than the federal law of the United States.

We consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to us in the Prospectus under the caption "Legal Matters." In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the general rules and regulations of the Securities and Exchange Commission.

Yours very truly,

Jones, Walker, Waechter, Poitevent,
Carrère & Denègre, L.L.P.

By: /s/ Rudolph R. Ramelli
Rudolph R. Ramelli
Partner

Exhibit 12.1 to Registration Statement

Ratio of earnings to fixed charges

	Six months ended June 30, 2002	Non-recurring items	Six months ended June 30, 2002 excluding non-recurring items	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items	1998	Non-recurring items	1998 excluding non-recurring items	1997
Net income	149,530	9,289	158,819	343,031	(117,370)	225,661	231,474	(2,646)	228,828	239,769	(1,452)	238,317	228,757	(30,528)	198,229	255,411
Income taxes	81,880	5,002	86,882	210,025	(66,698)	143,327	154,711	(4,166)	150,545	189,503	(36,821)	152,682	158,701	(19,331)	139,370	152,290
Net income before income taxes	231,410	14,291	245,701	553,056	(184,068)	368,988	386,185	(6,812)	379,373	429,272	(38,273)	390,999	387,458	(49,859)	337,599	408,001
Adjustments to earnings:																
Fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870		168,870	58,411
Capitalized interest	(840)		(840)	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)	(626)		(626)	(7,000)
Preferred stock dividend requirement before tax	(306)		(306)	(654)		(654)	(664)		(664)	(675)		(675)	(692)		(692)	(7,000)
Gross earnings from unconsolidated cellular partnerships	(24,196)		(24,196)	(42,553)	(7,890)	(50,443)	(26,986)	(5,330)	(32,316)	(29,956)	(6,860)	(36,816)	(32,869)	-	(32,869)	(27,800)
Distributed earnings from unconsolidated cellular partnerships	12,676		12,676	30,856		30,856	35,842		35,842	22,219		22,219	26,515		26,515	16,300
Gross losses from unconsolidated cellular partnerships			0	15,093		15,093	-		-	2,281		2,281	-		-	-
Minority losses from majority-owned subsidiaries	(61)		(61)	(127)		(127)	(1,702)		(1,702)	(10)		(10)	(37)		(37)	(1,400)
Earnings as adjusted	324,634		338,925	781,848		589,890	576,641		564,499	574,363		529,230	548,619		498,760	452,001
Fixed charges																
Interest expense	104,805		104,805	225,523		225,523	183,302		183,302	150,557		150,557	167,552		167,552	56,411
Allowance for funds used during construction	840		840	3,472		3,472	3,800		3,800	1,990		1,990	626		626	-
Preferred stock dividend requirement before tax	306		306	654		654	664		664	675		675	692		692	-
Total fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870		168,870	58,411
Ratio of earnings to fixed charges and preferred stock dividends	3.06		3.20	3.40		2.57	3.07		3.01	3.75		3.45	3.25		2.95	7.00

Ratio of earnings from continuing operations to fixed charges and preferred stock dividends

	Six months ended June 30, 2002	Non-recurring items	Six months ended June 30, 2002 excluding non-recurring items	2001	Non-recurring items	2001 excluding non-recurring items	2000	Non-recurring items	2000 excluding non-recurring items	1999	Non-recurring items	1999 excluding non-recurring items	1998	Non-recurring items
Income from continuing operations	83,065	9,289	92,354	144,146	(16,377)	127,769	124,229	5,494	129,723	135,520	(5,571)	129,949	116,272	(18,255)
Income taxes from continuing operations	44,636	5,002	49,638	88,711	(8,666)	80,045	83,542	2,957	86,499	88,560	(2,964)	85,596	83,731	(9,830)
Net income from continuing operations														
before income taxes	127,701	14,291	141,992	232,857	(25,043)	207,814	207,771	8,451	216,222	224,080	(8,535)	215,545	200,003	(28,085)
Adjustments to earnings (from continuing operations):														
Fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870	
Capitalized interest	(840)		(840)	(3,472)		(3,472)	(3,800)		(3,800)	(1,990)		(1,990)	(626)	
Preferred stock dividend requirement before tax	(306)		(306)	(654)		(654)	(664)		(664)	(675)		(675)	(692)	
Minority losses from majority-owned subsidiaries	-		-	(35)		(35)	(1,614)		(1,614)	-		-	-	
Earnings from continuing operations as adjusted	232,506		246,797	458,345		433,302	389,459		397,910	374,637		366,102	367,555	
Fixed charges from continuing operations:														
Interest expense	104,805		104,805	225,523		225,523	183,302		183,302	150,557		150,557	167,552	
Allowance for funds used during construction	840		840	3,472		3,472	3,800		3,800	1,990		1,990	626	
Preferred stock dividend requirement before tax	306		306	654		654	664		664	675		675	692	
Total fixed charges	105,951		105,951	229,649		229,649	187,766		187,766	153,222		153,222	168,870	
Ratio of earnings from continuing operations to fixed charges and preferred stock dividends	2.19		2.33	2.00		1.89	2.07		2.12	2.45		2.39	2.18	

**Exhibit 23.1
to Registration Statement**

Independent Auditors' Consent

The Board of Directors
CenturyTel, Inc.:

We consent to the use of our report incorporated herein by reference and to the reference to our firm under the heading "Experts" in the prospectus.

/s/ KPMG LLP

Shreveport, Louisiana
October 9, 2002

**Exhibit 23.2
to Registration Statement**

Consent of Independent Auditors

We consent to the reference to our firm under the caption "Experts" in the Registration Statement and related Prospectus of CenturyTel, Inc. dated October 10, 2002 for the registration of \$165,000,000 of 4.75% Convertible Senior Debentures, Series K, due 2032 and Shares of Common Stock Issuable upon Conversion of the Debentures and to the incorporation by reference therein of our report dated April 24, 2002 (except for Note 1, as to which the date is July 1, 2002) with respect to the special purpose financial statements of Verizon's Alabama Operations for the year ended December 31, 2001 and our report dated April 24, 2002 (except for Note 1, as to which the date is August 31, 2002), with respect to the special purpose financial statements of Verizon's Missouri Operations for the year ended December 31, 2001 included in the Current Reports on Form 8-K of CenturyTel, Inc. dated August 1, 2002 and August 31, 2002, respectively, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP
New York, New York
October 8, 2002

Exhibit 25.1
to Registration Statement

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939 OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY
OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)___

REGIONS BANK

(Exact names of trustees as specified in its charter)

Alabama State Banking Corporation

(Jurisdiction of incorporation or organization
if not a U.S. national bank)

63-0371391

(I.R.S. Employer Identification No.)

417 North 20th Street
Birmingham, Alabama

(Address of principal executive offices)

35202
(Zip Code)

Robert B. Rinehart
Regions Bank
60 Commerce Street
Montgomery, Alabama 36104
334-230-6120

(Name, address and telephone number
of agent for service)

CenturyTel, Inc.

(Exact names of obligors as specified in their charters)

Louisiana

(States or other jurisdictions of
incorporation or organization)

72-0651161

(I.R.S. Employer Identification Nos)

**100 CenturyTel Drive
Monroe, Louisiana**

(Address of principal executive offices)

71203

(Zip Code)

4.75% CONVERTIBLE SENIOR DEBENTURES, SERIES K, DUE 2032

(Title of the indenture securities)

Item 1. General Information.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Federal Reserve Bank of Atlanta, Atlanta, Georgia
Alabama State Banking Department, Montgomery, Alabama.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes

Item 2. Affiliations with the obligor.

None. Certain officers and directors of CenturyTel, Inc. (namely, Glen F. Post, III, Chief Executive Officer and Chairman of the Board, and William R. Boles, Jr., Director) act as non-voting regional advisory directors of an affiliate of Regions Bank, Regions Bank of Louisiana. Pursuant to Rule 7a-26 of the Trust Indenture Act of 1939, Regions Bank consequently disclaims the existence or admission of any control relationship arising out of these relationships.

Item 16. List of exhibits.

The additional exhibits listed below are filed herewith: (Exhibits, if any, identified in parentheses are on file with the Commission and are incorporated herein by reference as exhibits hereto pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 and Rule 24 of the Commissions Rules of Practice.)

- 1a. Restated Articles of Incorporation of the Trustee. (Exhibit 1 to Form T-1, Registration No. 22-21909).
- 1b. Articles of Amendment to Restated Articles of Incorporation of the Trustee. (Exhibit 1b to Form T-1, filed in connection with the Current Report on Form 8-K of BellSouth Telecommunications, Inc. dated October 9, 1997).
2. Not applicable.
3. Authorization of the Trustee to exercise corporate trust powers (Exhibit 3 to Form T-1, Registration No. 22-21909).
4. Bylaws of the Trustee. (Exhibit 4 to Form T-1, Registration No. 33-60351).

5. Not applicable.
6. Consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, as amended.
7. Latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority as of the close of business on December 31, 2001.
8. Not applicable.
9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, Regions Bank, a state banking corporation organized and existing under the laws of the State of Alabama, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Montgomery and State of Alabama, on the 9th of October, 2002.

REGIONS BANK

By: /s/ Robert B. Rinehart

Robert B. Rinehart
Senior Vice President and Corporate
Trust Manager

EXHIBIT 6 TO FORM T-1

CONSENT OF TRUSTEE

Pursuant to the requirements of Section 321(b) of the Trust Indenture Act of 1939, as amended, in connection with the proposed issue of senior debt securities by CenturyTel, Inc., we hereby consent that reports of examination by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

REGIONS BANK

By: /s/ Robert B. Rinehart

Robert B. Rinehart
Senior Vice President and Corporate

Dated: October 9, 2002

EXHIBIT 7 TO FORM T-1**CONSOLIDATED REPORT OF CONDITION OF**

Regions Bank
of 417 North 20th Street, Birmingham, Alabama 35202
and Subsidiaries,
a member of the Federal Reserve System,
at the close of business June 30, 2002, in
accordance with a call made by the Federal Reserve Bank of this
District pursuant to the provisions of the Federal Reserve Act

**DOLLAR
AMOUNT
IN
THOUSANDS**

ASSETS

Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		\$1,068,908
Interest-bearing balances		6,881
Securities:		
Held to maturity securities		7,228
Available for sale securities		8,180,308
Federal Funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBF's:		
Federal funds sold and securities purchased under agreements to resell		344,644
Loans and lease financing receivables:		
Loans and leases, net of unearned income	\$31,424,939	
Less: Allowance for loan and lease losses	430,805	
Less: Allocated transfer risk reserve	0	
Loans and leases, net of unearned income, allowance, and reserve		30,994,136
Trading assets		0
Premises and fixed assets (including capitalized leases)		591,805
Other real estate owned		52,092
Investments in unconsolidated subsidiaries and associated companies		123,622
Customers liability to this bank on acceptances outstanding		53,844
Intangible assets:		
Goodwill		144,602
Other intangible assets		158,311
Other assets		1,013,845
TOTAL ASSETS		\$42,949,419

**DOLLAR
AMOUNT
IN
THOUSANDS**

LIABILITIES

Deposits:

In domestic offices		\$ 28,493,438
Noninterest-bearing	\$ 2,834,346	
Interest-bearing	<u>25,659,092</u>	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		3,215,919
Noninterest-bearing	0	
Interest-bearing	<u>3,215,919</u>	
Federal funds purchased and securities sold under agreements to repurchase		1,521,041
Trading liabilities		0
Other borrowed money		5,590,919
Bank's liability on acceptances executed and outstanding		53,844
Subordinated notes and debentures		46,951
Other liabilities		496,418
TOTAL LIABILITIES		39,418,530
Minority interest in consolidated subsidiaries		156,676
<u>EQUITY CAPITAL</u>		
Perpetual Preferred Stock and Related Surplus		0
Common stock		103
Surplus		1,052,167
Retained earnings		2,240,485
Accumulated other comprehensive income		126,458
Other equity capital components		0
TOTAL EQUITY CAPITAL		<u>3,419,213</u>
TOTAL LIABILITIES, MINORITY INTEREST AND EQUITY CAPITAL		<u>\$ 42,994,419</u>

End of Filing

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