

# CENTURYTEL INC

## FORM 424B5

(Prospectus filed pursuant to Rule 424(b)(5))

Filed 5/2/1994

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

**SUBJECT TO COMPLETION, DATED APRIL 29, 1994**

**PRELIMINARY PROSPECTUS SUPPLEMENT**  
(To Prospectus dated April 11, 1994)

\$150,000,000

# Century Telephone Enterprises, Inc.

**\$50,000,000 \_\_\_\_% Senior Notes, Series A, Due 2004**

**\$100,000,000 \_\_\_\_% Senior Notes, Series B, Due 2024**

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**Interest Payable May 1 and November 1**

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Interest on Century's \_\_\_\_% Senior Notes, Series A, Due 2004 (the "Series A Notes") and its \_\_\_\_% Senior Notes, Series B, Due 2024 (the "Series B Notes") (collectively, the "Senior Notes") is payable semi-annually on May 1 and November 1, commencing November 1, 1994. The Series A Notes will not be redeemable prior to maturity. The Series B Notes will be subject to redemption at any time on or after May \_\_\_\_, 2004, at Century's option, in whole or in part, at the redemption prices set forth herein, together with accrued and unpaid interest through the redemption date.

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**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES**

**AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY**

**REPRESENTATION TO THE CONTRARY IS A  
CRIMINAL OFFENSE.**

Underwriting

Price to Discounts and Proceeds to Public<FN1> Commissions<FN2> Century<FN1><FN3>

Per Series A Note	_____ %	_____ %	_____ %
Per Series B Note	_____ %	_____ %	_____ %
Total	\$ _____	\$ _____	\$ _____

<FN1> Plus accrued interest, if any, from May \_\_\_\_, 1994. <FN2> See "Underwriting." <FN3> Before deducting expenses estimated at \$230,000, which are

payable by Century.

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The Senior Notes are offered by the Underwriters, subject to prior sale, when, as and if delivered to and accepted by the Underwriters, and subject to their right to reject orders in whole or in part. It is expected that delivery of the Senior Notes will be made in New York City on or about May \_\_\_\_, 1994.

Paine Webber Incorporated  
Stephens Inc.  
Goldman, Sachs & Co.

Merrill Lynch & Co.

The date of this Prospectus Supplement is May \_\_\_\_, 1994.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been declared effective by the Securities and Exchange Commission. A final prospectus supplement and accompanying prospectus will be delivered to purchasers. This preliminary prospectus supplement and accompanying prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SENIOR NOTES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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#### SELECTED QUARTERLY FINANCIAL AND OPERATING DATA

(In thousands, except per share and ratio

data, access lines and cellular units in service)

On April 22, 1994, Century announced its consolidated operating results for the quarter ended March 31, 1994, which are summarized below. For further financial information as of and for the quarter ended March 31, 1994, see Century's Current Report on Form 8-K dated April 22, 1994 incorporated by reference herein, and for further historical financial information regarding the Company, see the accompanying Prospectus.

		Three Months Ended March 31,	
		1993	1994
Income Statement Data:			
Revenues:			
Telephone.....	\$	78,951	\$ 91,770
Mobile Communications.....		17,874	29,210
		96,825	120,980
Cost of sales and operating expenses:			
Telephone.....		38,254	43,825
Mobile Communications.....		13,102	19,836
		51,356	63,661
Depreciation and amortization:			
Telephone.....		14,897	17,055
Mobile Communications.....		2,305	4,378
		17,202	21,433
Operating income:			
Telephone.....		25,800	30,890
Mobile Communications.....		2,467	4,996

	28,267	35,886
Other income (expense):		
Interest expense.....	(6,912)	(8,502)
Earnings from unconsolidated cellular partnerships.....	372	2,564
Gain on sale of asset.....	1,661	--
Other income, net.....	947	191
Income taxes.....	(8,595)	(10,938)
Net income.....	\$ 15,740	\$ 19,201
	=====	=====
Earnings per share:		
Primary.....	\$ .32	\$ .36
Fully diluted.....	.31	.35
Ratio of earnings to fixed charges<FN1>....	4.51	4.34

	March 31,	
	1993	1994
Operating Data:		
Telephone access lines.....	400,896	441,289
Cellular units in service in majority-owned and operated markets.....	81,201	160,283
Cellular pops.....	5,496	7,126

	March 31, 1994	
Balance Sheet Data:		
Net property, plant and equipment.....	\$ 871,205	
Excess cost of net assets acquired, net....	440,209	
Total assets.....	1,518,599	
Short-term debt.....	184,463	
Long-term debt, excluding current maturities.....	489,971	
Stockholders' equity.....	\$ 579,398	

<FN1> Calculated in the manner described in the accompanying prospectus.

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## USE OF PROCEEDS

The net proceeds to Century from the sale of the Senior Notes are estimated to be approximately \$\_\_\_ million. Of these proceeds, approximately \$90 million will be used to discharge Century's indebtedness under a bridge loan maturing in September 1994 that bears interest at a rate of .375% per annum over the annual interest rate payable with respect to 30-day U.S. dollar deposits in London's eurodollar interbank market, and which was incurred by Century in February 1994 to fund substantially all of its cash requirements in connection with acquiring Celutel, Inc. ("Celutel") and prepaying Celutel's long-term debt. The remaining net proceeds will be used to reduce Century's short-term bank indebtedness under various credit facilities, which bear interest at rates ranging from 4.0% to 4.6% and have original maturities ranging up to 90 days.

## CAPITALIZATION

The following table sets forth the capitalization of the Company at March 31, 1994, and as adjusted to reflect the issuance of the Senior Notes and the application of the net proceeds therefrom as described above.

	March 31, 1994	
	Actual	As Adjusted
	(In thousands)	
Short-term debt:		
Current maturities of long-term debt.....	\$ 15,263	\$ 15,263
Notes payable to banks.....	169,200	

Total short-term debt.....	184,463	
Long-term debt, excluding current maturities:		
Century.....	190,869	340,869
Subsidiaries.....	299,102	299,102
Total long-term debt, excluding current maturities.....	489,971	639,971
Stockholders' equity:		
Common Stock, \$1.00 par value, 100,000,000 shares authorized, and 53,353,033 shares issued and outstanding.....	53,353	53,353
Paid-in capital.....	313,617	313,617
Retained earnings.....	223,879	223,879
Employee Stock Ownership Plan commitment.....	(13,780)	(13,780)
Preferred Stock - non-redeemable.....	2,329	2,329
Total stockholders' equity.....	579,398	579,398
Total capitalization.....	\$ 1,253,832	\$
	=====	=====

## SUPPLEMENTAL DESCRIPTION OF SENIOR NOTES

The Series A Notes and Series B Notes offered hereby each constitute a single series of Senior Debt Securities described in the accompanying Prospectus and will be issued under the Indenture referred to therein. The following description of the specific terms of the Senior Notes supplements and should be read in conjunction with the description of the general terms and provisions of the Senior Debt Securities set forth in the accompanying Prospectus under the caption "Description of Senior Debt Securities." The following description does not purport to be complete and is qualified in its entirety by reference to the accompanying Prospectus and the Indenture. Unless otherwise indicated, each capitalized term not otherwise defined herein has the meaning ascribed to it in the accompanying Prospectus or in the Indenture.

### Principal Amount, Maturity and Interest

The Series A Notes and Series B Notes will be limited to aggregate principal amounts of \$50,000,000 and \$100,000,000, respectively. The Series A Notes will mature on May \_\_\_\_, 2004 and the Series B Notes will mature on May \_\_\_\_, 2024. Interest on the Senior Notes will be payable semi-annually on May 1 and November 1, commencing November 1, 1994, to the persons in whose names the Senior Notes are registered at the close of business on the preceding April 15 and October 15, respectively, subject to certain exceptions provided for in the Indenture (Board Resolution; Section 2.03). Unless otherwise determined by Century, interest will be paid by check mailed on or before the payment date, by first class mail, to such persons.

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### Redemption

The Series A Notes will not be redeemable prior to maturity (Board Resolution).

The Series B Notes will be subject to redemption at any time on or after May \_\_\_\_, 2004, at Century's option, in whole or in part, on not less than 30 nor more than 60 days' prior notice in amounts of \$1,000 or integral multiples thereof at the following redemption prices (expressed as percentages of the principal amount), if redeemed during the 12-month period beginning May \_\_\_\_ of the years indicated below:

Year	Redemption Price	Year	Redemption Price
2004.....	%	2009.....	%
2005.....		2010.....	
2006.....		2011.....	
2007.....		2012.....	
2008.....		2013.....	

and thereafter at 100% of the principal amount, together, in each case, with accrued and unpaid interest through the redemption date (subject to the right of holders of record on the regular record date to receive interest due on an interest payment date) (Board Resolution; Section 3.03).

There will be no mandatory sinking fund payments for the Senior Notes (Board Resolution).

## UNDERWRITING

The Underwriters named below have entered into an Underwriting Agreement with Century whereby they have severally agreed to purchase from Century, and Century has agreed to sell, the respective principal amounts of the Senior Notes indicated below, subject to the terms and conditions of the Underwriting Agreement, a form of which has been filed as an exhibit to the Registration Statement.

Underwriters	Principal Amount of Series A Notes	Principal Amount of Series B Notes
Paine Webber Incorporated.....	\$ 12,500,000	\$ 25,000,000
Stephens Inc.....	12,500,000	25,000,000
Goldman, Sachs & Co.....	12,500,000	25,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	12,500,000	25,000,000
Total.....	\$ 50,000,000 =====	\$ 100,000,000 =====

The Senior Notes are offered subject to prior sale, when, as and if issued by Century and accepted by the Underwriters, at the initial public offering prices set forth on the cover page of this Prospectus Supplement and to certain dealers at such prices less a concession not exceeding \_\_\_\_\_ % of the principal amount of the Series A Notes and \_\_\_\_\_ % of the principal amount of the Series B Notes. Underwriters and dealers may reallow to other dealers a concession not exceeding \_\_\_\_\_ % of the principal amount of the Series A Notes and \_\_\_\_\_ % of the principal amount of the Series B Notes. After the initial public offering, the public offering prices and concessions to dealers may be changed. Under the terms and conditions of the Underwriting Agreement, the Underwriters are committed to purchase all of the Senior Notes if any are purchased.

Century has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Century has been advised that the Underwriters presently intend to make a market in the Senior Notes, although they will not be obligated to do so and may discontinue any market making at any time without notice. There can be no assurance that an active public market for the Senior Notes will develop or be maintained.

Ernest Butler, Jr., an Executive Vice President of Stephens Inc., is a director of Century.

## LEGAL MATTERS

Certain legal matters related to the offering of the Senior Notes will be passed upon on behalf of the Underwriters by Winthrop, Stimson, Putnam & Roberts, New York, New York.

### Century Telephone Enterprises, Inc.

#### Senior Debt Securities

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Century Telephone Enterprises, Inc. ("Century") may from time to time offer hereunder senior unsecured debt securities (the "Senior Debt Securities") with an aggregate initial public offering price not to exceed \$400,000,000. The Senior Debt Securities may be offered as separate series in amounts, at prices and on terms to be determined at the time of sale and set forth in an accompanying supplement to this Prospectus (a "Prospectus Supplement"). The specific designation, aggregate principal amount, net proceeds, offering price, maturity, interest rate, interest payment dates, terms of any redemption or sinking fund provisions and any other specific terms relating to any series of Senior Debt Securities offered hereunder will be set forth in the Prospectus Supplement relating to that series. The Senior Debt Securities will rank equally with all other unsubordinated and unsecured indebtedness of Century. See "Description of Senior Debt Securities."

Century may sell the Senior Debt Securities directly or through agents, underwriters or dealers designated from time to time by Century. If any agents, underwriters or dealers are involved in the sale of any series of Senior Debt Securities, the names of such agents, underwriters or dealers and any applicable commissions and discounts will be set forth in the Prospectus Supplement relating to that series. See "Plan of Distribution."

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COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS  
PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A  
CRIMINAL OFFENSE.**

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THIS PROSPECTUS MAY NOT BE USED TO CONSUMMATE SALES OF SENIOR DEBT SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

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The date of this Prospectus is April 11, 1994.

**AVAILABLE INFORMATION**

Century is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other documents with the Securities and Exchange Commission (the "Commission"). Documents filed by Century with the Commission pursuant to the informational requirements of the Exchange Act may be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, DC 20549, and at the regional offices of the Commission at the following locations: New York Regional Office, 7 World Trade Center, 13th Floor, New York, New York 10048 and Chicago Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60621-2511. Copies of such material may be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, DC 20549, at prescribed rates. Century's common stock is listed on the New York Stock Exchange and its reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. In addition to the information contained in this Prospectus, further information regarding Century and the Senior Debt Securities is contained in the registration statement on Form S-3 (the "Registration Statement") filed with the Commission under the Securities Act of 1933, as amended (the "Securities Act"), which may be inspected and copied at the Commission's offices listed above.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The following documents, which have been filed by Century with the Commission pursuant to the Exchange Act, are incorporated herein by reference:

- (a) Century's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.
- (b) Century's Current Reports on Form 8-K dated January 13, 1994, and February 10, 1994.

All reports filed by Century with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering made hereby shall be deemed to be incorporated by reference herein and to be made a part hereof from their respective dates of filing. Information appearing herein or in any particular document incorporated herein by reference is not necessarily complete and is qualified in its entirety by the information and financial statements appearing in all of the documents incorporated herein by reference and should be read together therewith. Any statements contained in a document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other document subsequently filed or incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Century will provide without charge to each person to whom a copy of this Prospectus has been delivered, upon the written or oral request of any such person, a copy of any of the documents incorporated herein by reference, other than exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents. Requests for such copies should be directed to Harvey P. Perry, Senior Vice President, General Counsel and Secretary, Century Telephone Enterprises, Inc., 100 Century Park Drive, Monroe, Louisiana 71203, telephone (318) 388- 9500.

**PROSPECTUS SUMMARY**

The following summary is qualified in its entirety by reference to the more detailed information and financial statements appearing elsewhere herein and in the documents incorporated herein by reference. All share and per share data relating to Century's common stock contained herein has been adjusted for stock splits effected as 50% stock dividends distributed in February 1989 and December 1992. When used in this Prospectus or any Prospectus Supplement, (i) the term "pops" means the population of the Company's licensed cellular telephone markets (based on Donnelley Marketing Information Services Estimates) multiplied by the Company's proportionate equity interests in the licensed operators thereof, (ii) the term "Series" means any particular series of Senior Debt Securities, (iii) the term "Century" means Century Telephone Enterprises, Inc. and (iv) the term "Company" means Century and its subsidiaries.

## The Company

The Company is a regional diversified telecommunications company that is primarily engaged in providing local telephone and mobile communications services. At December 31, 1993, the Company's telephone subsidiaries served approximately 434,000 telephone access lines, primarily in rural, suburban and small urban communities in 14 states, with its largest customer bases located in Wisconsin, Louisiana, Michigan, Ohio and Arkansas. Through its cellular operations (including those acquired in February 1994), the Company controls approximately 7.1 million pops in 27 MSAs (Metropolitan Statistical Areas) and 32 RSAs (Rural Service Areas), primarily concentrated in Michigan, Louisiana, Texas, Arkansas and Mississippi. The Company is the majority owner and operator in 18 of these MSAs and 13 of these RSAs. At December 31, 1993, the Company's majority-owned cellular systems had more than 116,000 cellular subscribers, not including approximately 28,000 subscribers acquired by the Company in connection with its February 1994 acquisition of Celutel, Inc. ("Celutel") described below. Unless otherwise provided herein, the financial and operating data set forth in this Prospectus does not reflect the Celutel acquisition. During 1993, telephone operations provided 80% of the Company's consolidated revenues, with mobile communications operations providing the balance.

### Summary Financial and Operating Data

(In thousands, except access lines and cellular units in service)

	Year Ended December 31,				
	1989	1990	1991	1992	1993
Income Statement Data:					
Revenues	\$ 215,390	\$ 250,365	\$ 282,527	\$ 359,602	\$ 433,197
Cost of sales and operating expenses	127,022	142,169	155,200	187,076	231,855
Depreciation and amortization	41,185	47,095	52,240	62,898	76,534
Operating income	47,183	61,101	75,087	109,628	124,808
Interest expense	(22,417)	(24,132)	(22,504)	(27,166)	(30,149)
Interest before income taxes and cumulative effect of changes in accounting principles	32,904	48,494	57,489	92,572	106,256
Net Income	\$ 22,164	\$ 31,098	\$ 37,419	\$ 44,305	\$ 69,004

	Year Ended December 31,				
	1989	1990	1991	1992	1993
Operating Data:					
Telephone access lines	296,034	304,915	314,819	397,300	434,691
Cellular units in service in majority-owned and operated markets	23,199	35,815	51,083	73,084	116,484
Cellular pops	4,821	5,002	5,437	5,497	5,947

	Year Ended December 31,				
	1989	1990	1991	1992	1993
Balance Sheet Data:					
Net property, plant and equipment	\$ 474,158	\$ 490,957	\$ 534,998	\$ 675,878	\$ 827,776
Excess cost of net assets acquired, net	109,197	110,013	114,258	217,688	297,158
Total assets	691,569	706,411	764,539	1,040,487	1,319,390
Short-term debt	28,873	37,500	28,110	42,124	83,433
Long-term debt, excluding current maturities	257,708	230,715	254,753	391,944	460,933
Stockholders' equity	\$ 256,530	\$ 280,915	\$ 319,977	\$ 385,449	\$ 513,768

## THE COMPANY

The Company is a regional diversified telecommunications company that is primarily engaged in providing local telephone and mobile communications services. At December 31, 1993, the Company's telephone subsidiaries served approximately 434,000 telephone access lines, primarily in rural, suburban and small urban communities in 14 states, with its largest customer bases located in Wisconsin, Louisiana, Michigan, Ohio and Arkansas. Through its cellular operations (including those acquired in February 1994), the Company controls approximately 7.1 million pops in 27 MSAs (Metropolitan Statistical Areas) and 32 RSAs (Rural Service Areas), primarily concentrated in



Michigan, Louisiana, Texas, Arkansas and Mississippi. The Company is the majority owner and operator in 18 of these MSAs and 13 of these RSAs. At December 31, 1993, the Company's majority-owned cellular systems had more than 116,000 cellular subscribers, not including approximately 28,000 subscribers acquired by the Company in connection with its February 1994 acquisition of Celutel described below. Unless otherwise provided herein, the financial and operating data set forth in this Prospectus does not reflect the Celutel acquisition. During 1993, telephone operations provided 80% of the Company's consolidated revenues, with mobile communications operations providing the balance.

Century is incorporated in Louisiana; its principal executive offices are located at 100 Century Park Drive, Monroe, Louisiana 71203, and its telephone number is (318) 388-9500. At December 31, 1993, the Company employed approximately 2,800 persons.

### Telephone Operations

General. According to published sources, the Company is the 15th largest local exchange carrier in the United States, based on the approximately 434,000 telephone access lines it served at year end. At December 31, 1993, 93% of the Company's access lines were served by digital switching technology, which allows the Company to offer additional premium services to its customers, including call forwarding, conference calling, caller identification, selective call ringing and call waiting.

Revenues and Operating Income. The following table provides a breakdown of revenues and operating income for the Company's local exchange carrier subsidiaries in 1991, 1992 and 1993:

	Year Ended December 31,		
	1991	1992	1993
		(In millions)	
Revenues:			
Local service	\$ 58.7	\$ 78.1	\$ 88.7
Network access and long distance	145.3	182.7	217.1
Other (including revenues relating to equipment maintenance and sales, billing and collection services, network facilities leases and directories)	31.8	36.7	42.7
Total revenues	<u>\$ 235.8</u>	<u>\$ 297.5</u>	<u>\$ 348.5</u>
Operating income	<u>\$ 80.0</u>	<u>\$ 103.7</u>	<u>\$ 114.9</u>

Certain Considerations Relating to Telephone Operations. The Federal Communications Commission (the "FCC") and various state public utility commissions regulate significant portions of the business of local exchange carriers ("LECs"), including the licensing, construction, operation, sale and acquisition of LECs. The FCC and substantially all of the state public utility commissions having jurisdiction over the Company's telephone operations regulate the rates and authorized rates of return that the Company's LECs are allowed to earn. The FCC and a limited number of state regulatory commissions (including at least three having jurisdiction over the Company) have begun to relax the regulation of LECs, including their rates and authorized rates of return. Coincident with this movement toward reduced regulation is the introduction and encouragement of local exchange competition by the FCC and various state public utility commissions, along with the emergence of certain companies providing competitive access and other services that compete with LECs' services and the announcement by certain well-established interexchange carriers of their desire to enter the LEC business. In addition, several bills have been filed in the U.S. Congress that have the potential to significantly alter the regulatory framework of telephone companies. Moreover, the FCC and certain state public utility commissions have explored or implemented initiatives to reduce the funding of certain support mechanisms that have traditionally benefitted several of the Company's LECs. There is no assurance that these initiatives will not have a material adverse effect on the Company.

In connection with the well-publicized convergence of telecommunications, cable, video, computer and other technologies, several large companies have recently announced plans to offer products that would significantly enhance current communications and data transmission services and, in some instances, introduce new two-way video, entertainment, data, consumer and other multimedia services. No assurance can be given that the Company will have the resources to offer these products or services, or that the offering of these products or services by others will not have a material adverse effect on the Company. Moreover, as the mobile communications industry matures, the Company anticipates that existing and emerging mobile communications technologies will increasingly compete with traditional LEC services.

### Mobile Communications Operations

General. According to published sources, the Company is the 15th largest operator of cellular telephone systems in the United States, based on the population of its majority-owned and operated markets. After giving effect to the Company's acquisition of Celutel in February 1994, the Company currently operates and has majority interests in cellular systems serving 18 MSAs and 13 RSAs, which collectively represent 5.5 million pops, and has minority interests in nine other MSAs and 19 other RSAs, which collectively represent 1.6 million pops. The Company's business strategy for its cellular operations is to secure operating control of service areas that are geographically clustered. Clustered cellular

systems aid the Company's marketing effort and provide various operating and service advantages. After giving effect to the Celutel acquisition, 51% of the Company's pops in markets operated by the Company are in a single, contiguous cluster of eight MSAs and six RSAs in Michigan, and another 19% are in a cluster of four MSAs and seven RSAs in northern and central Louisiana, southern Arkansas and eastern Texas. The Company also provides paging services in conjunction with the operation of its Louisiana and Michigan cellular systems.

**Revenues and Operating Income.** The following table provides a breakdown of revenues and operating income for the Company's mobile communications operations in 1991, 1992 and 1993:

	Year Ended December 31,		
	1991	1992	1993
	(In millions)		
Revenues:			
Cellular access fees, toll revenues and equipment sales	\$ 33.8	\$ 48.8	\$ 68.2
Cellular roaming	7.7	8.9	12.3
Paging services	5.2	4.4	4.2
Total Revenues	\$ 46.7	\$ 62.1	\$ 84.7
	=====	=====	=====
Operating income (loss)	\$ (5.0)	\$ 6.0	\$ 9.9
	=====	=====	=====

**Certain Considerations Relating to Mobile Communications Operations.** The FCC and various state public utility commissions that have jurisdiction over the Company's cellular operations regulate the licensing, construction, operation, interconnection arrangements, sale and acquisition of the Company's cellular telephone systems. Certain state public utility commissions also regulate certain aspects of pricing by cellular operators, although the effect of these regulations on the Company has thus far not been significant. Changes in the regulation of cellular operators (such as increased price regulation by state authorities or a decision by the FCC to grant additional licenses in each cellular market) could have a material adverse effect on the Company.

The Company faces significant competition from the other cellular licensee in each of its markets, from resale carriers within such markets and from other communications technologies that now exist, including specialized mobile radio systems (which the Company believes are operating in a majority of its markets) and paging services, and may in the future face competition from other telecommunications technologies that may be developed or perfected. Several recent FCC initiatives have resulted in the allocation of additional frequency spectrum or the issuance of experimental licenses for mobile communications technologies that will or may be competitive with cellular communications, including personal communication services (for which the FCC intends to begin auctioning certain operating licenses in 1994) and mobile satellite services. In addition, the FCC has authorized certain specialized mobile radio service licensees to configure their systems so as to operate in a manner similar to cellular systems, and certain of these licensees recently announced their intention to create a nationwide mobile communications system to compete with cellular systems. These initiatives as well as other continuing and rapid technological advances in the communications field, coupled with legislative and regulatory uncertainty, make it impossible to predict the extent of future competition with cellular systems.

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

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

### **Acquisition Strategy**

The Company's general strategy has been to provide diversified telecommunications services and to achieve growth largely through the acquisition of attractive telecommunications companies. The Company is continually evaluating the possibility of acquiring additional telephone access lines and cellular interests. Although the Company's primary focus will be on acquiring telephone and cellular interests that are proximate to its properties or that serve a customer base large enough for the Company to operate efficiently, other communications interests may also be acquired.

### **Recent Acquisitions**

In February 1994, Century acquired Celutel in exchange for approximately \$51.4 million cash and approximately 1.9 million shares of Century's common stock. In connection with the acquisition, Century prepaid approximately \$41.7 million of Celutel's debt. The acquisition was accounted for as a purchase, resulting in an increase in goodwill of approximately \$138 million. Celutel provides cellular service in three

Mississippi MSAs (Jackson, Pascagoula and Biloxi-Gulfport) and two Texas MSAs (Brownsville-Harlingen and McAllen-Edenburg-Mission). With this transaction, the Company acquired approximately 1.1 million pops and approximately 28,000 cellular subscribers.

In March 1994, Century acquired Kingsley Telephone Company ("Kingsley") in exchange for Century common and preferred stock valued at \$4.25 million. Kingsley operates approximately 2,400 access lines in northern Michigan and holds a minority interest in two northern Michigan RSAs (representing approximately 33,000 pops) that are currently operated by Century.

### USE OF PROCEEDS

Unless otherwise indicated in any Prospectus Supplement, the net proceeds from Century's sale of Senior Debt Securities will be used for general corporate purposes, including the financing of acquisitions and capital expenditures and the refinancing of outstanding indebtedness. Any specific allocation of the net proceeds from the sale of a particular Series will be determined at the time of the offering thereof and will be described in the Prospectus Supplement relating to that Series.

Century expects that it will from time to time engage in additional private or public financings as market conditions warrant and as the need arises.

### CAPITALIZATION

The following table sets forth the capitalization of the Company at December 31, 1992 and 1993:

	December 31,	
	1992	1993
	(In thousands)	
Short-term debt:		
Current maturities of long-term debt	\$ 9,709	\$ 14,233
Notes payable to banks	32,415	69,200
Total short-term debt	42,124	83,433
Long-term debt, excluding current maturities:		
Century	229,615	272,115
Subsidiaries	162,329	188,818
Total long-term debt, excluding current maturities	391,944	460,933
Stockholders' equity:		
Common Stock, \$1.00 par value, 100,000,000 shares authorized, 48,896,876 and 51,294,705 shares issued and outstanding	48,897	51,295
Paid-in capital	191,522	262,294
Retained earnings	155,676	208,945
Employee Stock Ownership Plan commitment	(11,100)	(9,220)
Preferred Stock - non-redeemable	454	454
Total stockholders' equity	385,449	513,768
Total capitalization	\$ 819,517	\$1,058,134
	=====	=====

### RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth the Company's consolidated ratio of earnings to fixed charges for the periods shown.

	Year Ended December 31,				
	1989	1990	1991	1992	1993
Ratio of earnings to fixed charges	2.39	2.98	3.48	4.32	4.33

For purposes of computing these ratios, (i) earnings consist of income before income taxes and fixed charges with adjustments primarily for earnings of unconsolidated subsidiaries and (ii) fixed charges consist of interest expense (including amortized debt issuance costs) and preferred stock dividends of subsidiaries.

### SELECTED FINANCIAL DATA

(In thousands, except per share data)

The following selected consolidated financial data for, and as of the end of, each of the years in the five-year period ended December 31, 1993, are derived from the consolidated financial statements of Century and its subsidiaries, which financial statements have been audited by KPMG Peat Marwick, independent certified public accountants. The consolidated financial statements as of December 31, 1993 and 1992, and for each of the years in the three-year period ended December 31, 1993, and the report thereon, are incorporated herein by reference. The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with the consolidated financial statements and notes thereto incorporated herein by reference.

	Year Ended December 31,				
	1989	1990	1991	1992	1993
Income Statement Data:					
Revenues:					
Telephone	\$ 190,538	\$ 215,771	\$ 235,796	\$ 297,510	\$ 348,485
Mobile Communications:					
Cellular	21,481	29,070	41,515	57,683	80,513
Paging	3,371	5,524	5,216	4,409	4,199
Total revenues	215,390	250,365	282,527	359,602	433,197
Expenses:					
Cost of sales and operating expenses	127,022	142,169	155,200	187,076	231,855
Depreciation and amortization	41,185	47,095	52,240	62,898	76,534
Total expenses	168,207	189,264	207,440	249,974	308,389
Operating income	47,183	61,101	75,087	109,628	124,808
Other income (expense):					
Interest expense	(22,417)	(24,132)	(22,504)	(27,166)	(30,149)
Earnings (loss) from unconsolidated cellular partnerships	117	(68)	697	1,692	6,626
Gain on sale of assets	--	4,094	--	3,985	1,661
Other income, net	8,021	7,499	4,209	4,433	3,310
Total other income (expense)	(14,279)	(12,607)	(17,598)	(17,056)	(18,552)
Income before income taxes and cumulative effect of changes in accounting principles	32,904	48,494	57,489	92,572	106,256
Income taxes	10,740	17,396	20,070	32,599	37,252
Income before cumulative effect of changes in account principles	22,164	31,098	37,419	59,973	69,004
Cummulative effect of changes in accounting principles	--	--	--	(15,668)	--
Net Income	\$ 22,164	\$ 31,098	\$ 37,419	\$ 44,305	\$ 69,004
Primary earnings per share:					
Income before cumulative effect of changes in accounting principles	\$ .49	\$ .66	\$ .79	\$ 1.23	\$ 1.35
Cumulative effect of changes in accounting principles	--	--	--	(.32)	--
Primary earnings per share	\$ .49	\$ .66	\$ .79	\$ .91	\$ 1.35
Fully diluted earnings per share:					
Income before cumulative effect of changes in accounting principles	\$ .49	\$ .66	\$ .79	\$ 1.22	\$ 1.32
Cumulative effect of changes in accounting principles	--	--	--	(.31)	--
Fully diluted earnings per share	\$ .49	\$ .66	\$ .79	\$ .91	\$ 1.32
Dividends per common share	\$ .272	\$ .280	\$ .287	.293	.310

	December 31,				
	1989	1990	1991	1992	1993
Balance Sheet Data:					
Net property, plant and equipment	\$ 474,158	\$ 490,957	\$ 534,998	\$ 675,878	\$ 827,776
Excess cost of net assets acquired, net	109,197	110,013	114,258	217,688	297,158
Total assets	691,569	706,411	764,539	1,040,487	1,319,390
Short-term debt	28,873	37,500	28,110	42,124	83,433
Long-term debt, excluding current maturities	257,708	230,715	254,753	391,944	460,933
Stockholder' equity	256,530	280,915	319,977	385,449	513,768

## DESCRIPTION OF SENIOR DEBT SECURITIES

Set forth below are certain general terms and provisions of the Senior Debt Securities, which may be issued from time to time in one or more Series. The particular terms of each Series will be described in a Prospectus Supplement relating thereto. Accordingly, for a description of the terms of any particular Series, reference must be made to both the description set forth below and the Prospectus Supplement relating thereto.

The Senior Debt Securities will be issued under an Indenture, dated as of March 31, 1994 (the "Indenture"), between Century and First American Bank & Trust of Louisiana, Monroe, Louisiana, as Trustee (the "Trustee"). The particular terms of each Series will be set forth in a resolution of the Executive Committee of Century's Board of Directors specifically authorizing such Series (a "Board Resolution") or in one or more supplemental indentures. The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by express reference to, the Indenture and Board Resolution, forms of which are filed as exhibits to the Registration Statement. Unless otherwise indicated, each reference italicized in parentheses below or in any Prospectus Supplement applies to section numbers in the Indenture and each capitalized term not otherwise defined herein has the meaning ascribed to it in the Indenture.

### General

The Senior Debt Securities will be general unsecured obligations of Century and will rank prior to all subordinated indebtedness of Century and pari passu with all other unsecured indebtedness of Century. For further information on Century's debt, see "Capitalization." Century is a holding company and derives substantially all of its income and operating cash flow from its subsidiaries. As a result, Century relies upon its subsidiaries to generate the funds necessary to meet its obligations, including the payment of principal and interest on any Senior Debt Securities to be issued hereunder. Certain of the subsidiaries' loan agreements contain various restrictions on the transfer of funds to Century, including certain provisions that restrict the amount of dividends that may be paid to Century. At December 31, 1993, the amount of retained earnings of Century's subsidiaries not subject to dividend restrictions was \$286,340,000. Moreover, Century's rights to receive assets of any subsidiary upon its liquidation or reorganization (and the ability of holders of Senior Debt Securities to benefit indirectly therefrom) are subject to the prior claims of creditors of that subsidiary.

Except to the extent otherwise provided below or in any Prospectus Supplement, neither the Indenture nor the Senior Debt Securities to be offered thereby (i) limit the amount of secured or unsecured indebtedness that may be issued or incurred by Century or any of its subsidiaries, (ii) restrict the payment of dividends by Century or the sale or transfer of Century's assets or (iii) contain provisions that would afford holders of Senior Debt Securities protection in the event of a change in control, highly leveraged transaction, recapitalization or similar transaction involving Century, any of which could adversely affect the holders of Senior Debt Securities.

The Prospectus Supplement relating to any particular Series being offered thereby will set forth a description of such Series, including (i) the title and aggregate principal amount of such Series; (ii) Century's net proceeds from the sale thereof; (iii) the price or prices at which such Series will be issued; (iv) the date or dates of maturity; (v) the rate or rates per annum, if any, at which such Series will bear interest or the method of determining such rate or rates; (vi) the date or dates from which any such interest will accrue and the date or dates at which any such interest will be payable; (vii) the terms for redemption or early payment, if any, including any mandatory or optional sinking fund or similar provisions; (viii) any special United States federal income tax considerations applicable to such Series; (ix) any special provisions relating to the defeasance of such Series or (x) any other special considerations or specific provisions applicable to such Series. Reference is also made to such Prospectus Supplement for information regarding any additional covenants that may relate to such Series.

The Senior Debt Securities may bear interest at a fixed or floating rate. Senior Debt Securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount.

None of the Senior Debt Securities will entitle the holder thereof to convert or exchange the Senior Debt Securities for or into any other security of Century.

The Indenture is, and the Senior Debt Securities will be, governed by Louisiana law. The Indenture is subject to and governed by the Trust Indenture Act of 1939, as amended.

## **Denominations, Registration and Transfer**

Unless otherwise provided in any Board Resolution and described in the related Prospectus Supplement, the Senior Debt Securities will be issued only in fully registered form and in denominations of \$1,000 or any multiples thereof (Section 2.03). The Trustee will act as the registrar of each Series (Section 2.05). No service charge will be made for any registration of transfer or exchange of Senior Debt Securities, or issue of new Senior Debt Securities in the event of a partial redemption of any Series, but Century may generally require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Section 2.05). The Trustee may appoint an authenticating agent for any Series to act on the Trustee's behalf in connection with authenticating Senior Debt Securities of such Series issued upon the exchange, transfer or partial redemption thereof (Section 2.10). The Trustee may at any time rescind the designation of any such agent (Section 2.10).

Century shall not be required (i) to issue, register the transfer of or exchange the Senior Debt Securities of any Series during a period beginning 15 days before any selection of Senior Debt Securities of that Series to be redeemed and ending at the close of business on the day of mailing of the relevant redemption notice or (ii) to register the transfer of or exchange any Senior Debt Securities of any Series, or portions thereof, called for redemption (Section 2.05).

## **Payment and Paying Agents**

Unless otherwise indicated in any Prospectus Supplement, payment of principal of (and premium, if any) and interest on Senior Debt Securities of any Series will be made in U.S. dollars at the principal office of Century's Paying Agent or, at the option of Century, by check in U.S. dollars mailed or delivered to the person in whose name such Senior Debt Security is registered. Unless otherwise indicated in any Prospectus Supplement and subject to certain exceptions provided for in the Indenture, payment of any installment of interest on any Series will be made to the person in whose name such Senior Debt Security is registered at the close of business on the record date established under the Indenture for the payment of interest (Section 2.03).

Unless otherwise indicated in any Prospectus Supplement, the Trustee will act as Century's sole Paying Agent and the principal office of the Trustee, 1500 North 18th Street, Monroe, Louisiana, will be designated as such agent's office for purposes of payments with respect to Senior Debt Securities. Any other Paying Agents initially designated by Century with respect to any Series will be named in the related Prospectus Supplement. Century 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 Century will be required to maintain a Paying Agent in the Borough of Manhattan, City and State of New York, or Monroe, Louisiana. (Sections 4.02 and 4.03).

Any money set aside by Century for the payment of principal of (and premium, if any) or interest on any Senior Debt Securities that remains unclaimed two years after such payment has become due and payable will be repaid to Century on May 31 following the expiration of such two-year period and the holder of such Senior Debt Security may thereafter look only to Century for payment thereof (Section 11.05).

## **Redemption and Sinking Fund Provisions**

Each Series may be redeemed, in whole or in part, upon not less than 30 days' and not more than 60 days' notice at the redemption prices and subject to the terms and conditions (including those relating to any sinking fund established with respect to such Series) that will be set forth in a Board Resolution or supplemental indenture and in the Prospectus Supplement relating to such Series (Sections 3.01 and 3.02). If less than all of the Senior Debt Securities of the Series are to be redeemed, the Trustee shall select the Senior Debt Securities of such Series, or portions thereof, to be redeemed pro rata, by lot or by any other method the Trustee shall deem fair and reasonable (Section 3.02).

## **Replacement of Securities**

Any Senior Debt Security that becomes mutilated, destroyed, lost or stolen will be replaced by Century at the expense of the holder upon delivery to Century and the Trustee of the Senior Debt Security or evidence of the destruction, loss or theft thereof satisfactory to Century and the Trustee. An indemnity satisfactory to the Trustee and Century may be required before a replacement security will be issued (Section 2.07).

## **Events of Default and Notice Thereof**

Unless otherwise specified in any Prospectus Supplement, the terms and conditions set forth under this heading will govern defaults under the Indenture.

The Indenture provides that the following described events constitute Events of Default with respect to each Series: (a) failure for 30 Business Days to pay interest on the Senior Debt Securities of that Series when due; (b) 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 Century's control; (c) failure to observe or perform any other covenant of that Series for 60 days after written notice with respect thereto or (d) certain events relating to bankruptcy, insolvency or reorganization (Section 6.01).

If an Event of Default shall occur and be continuing (the default not having been cured or waived) with respect to any Series and if it is known to the Trustee, the Trustee is required to mail to each holder of such Series a notice of the Event of Default within 90 days of such default (Section 6.07).

Upon an Event of Default, the Trustee or the holders of not less than 25% in aggregate outstanding principal amount of any Series, by notice in writing to the Company (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 (Section 6.01).

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. 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 Senior Debt Securities of that Series or a call for redemption of the Senior Debt Securities of that Series (Sections 6.04 and 6.06).

Century will be required to furnish to the Trustee annually a statement as to the performance by it of certain of its obligations under the Indenture and as to any default in such performance (Section 5.03).

### **Discharge and Defeasance**

The Indenture provides that Century may discharge the Indenture with respect to any Series, subject to certain exceptions, if at any time (i) Century delivers to the Trustee for cancellation all outstanding Senior Debt Securities of such Series previously authenticated and for whose payment money or U.S. Government Obligations have been deposited in trust by Century or (ii) all outstanding Senior Debt Securities of such Series not previously delivered to the Trustee for cancellation by Century shall have become due and payable or are to become due and payable or called for redemption within one year and Century has deposited or caused to be deposited with the Trustee the entire amount in moneys or U.S. Government Obligations sufficient, without reinvestment, to pay at maturity or upon redemption such outstanding Senior Debt Securities, including principal (and premium, if any) and interest due or to become due to such date of maturity or redemption, and if Century shall also pay or cause to be paid all other sums payable thereunder with respect to such Series (Section 11.01).

Additionally, the Indenture provides that Century may discharge all of its obligations under the Indenture with respect to any Series, subject to certain exceptions, if at any time all outstanding Senior Debt Securities of such Series not previously delivered to the Trustee for cancellation by Century or which have not become due and payable as described above shall have been paid by Century by depositing irrevocably with the Trustee moneys or U.S. Government Obligations sufficient to pay at maturity or upon redemption such outstanding Senior Debt Securities, including principal (and premium, if any) and interest due or to become due to such date of maturity or redemption, and if Century shall also pay or cause to be paid all other sums payable thereunder with respect to such Series (Section 11.02).

### **Merger and Consolidation**

Nothing in the Indenture or any of the Senior Debt Securities prevents Century from consolidating or merging with or into, or selling or otherwise disposing of all or substantially all of its assets to, another corporation, subject to Century's agreement (i) to obtain in connection therewith a supplemental indenture pursuant to which the surviving entity or transferee agrees to assume Century's obligations under all outstanding Senior Debt Securities, including the due and punctual payment of the principal of (and premium, if any, on) and interest on such outstanding Senior Debt Securities, and (ii) that such surviving entity or transferee is organized under the laws of the United States, any state thereof or the District of Columbia (Section 10.01).

### **Modification of Indenture**

The Indenture contains provisions permitting Century, 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, to modify the Indenture or any supplemental indenture affecting that Series or the rights of the holders thereof. However, no such modification shall (i) 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 Senior Debt Security so affected, or (ii) 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 (Section 9.02).

Century and the Trustee may execute, without the consent of any holder of Senior Debt Securities, any supplemental indenture for certain other usual purposes such as (i) creating a new Series; (ii) evidencing the assumption by any successor to Century of Century's obligations under the Indenture; (iii) adding covenants to the Indenture for the protection of the holders of Senior Debt Securities; (iv) curing any ambiguity or inconsistency in the Indenture; and (v) 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 which would benefit therefrom (Sections 2.01, 9.01 and 10.01).

## **Limitations on Liens**

The Indenture provides that Century will not, while any of the Senior Debt Securities remain outstanding, create or suffer to exist any mortgage, lien, pledge, security interest or other encumbrance (individually, a "Lien" and collectively, "Liens") upon Century's property, whether now owned or hereafter acquired, unless it shall secure the Senior Debt Securities then outstanding 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 Century from creating or suffering to exist:

- (i) Liens upon property hereafter acquired by Century 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;
- (ii) Liens on the stock of a corporation which, when such Liens arise, concurrently becomes a subsidiary of Century, or Liens on all or substantially all of the assets of a corporation arising in connection with Century's purchase thereof;
- (iii) 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;
- (iv) Liens existing on the date of the Indenture;
- (v) Liens upon Century's property arising in connection with the merger or consolidation of affiliates of Century with or into Century; and
- (vi) Liens that replace, extend or renew any Lien otherwise permitted under the Indenture (Sections 4.05 and 4.06).

The restriction in the Indenture described above would not afford the holders of the Senior Debt Securities protection 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 Century's subsidiaries. However, in the event of one or more highly leveraged transactions in which secured indebtedness was incurred by Century, these provisions would require the Senior Debt Securities to be secured equally and ratably with such indebtedness, subject to the exceptions described above.

## **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 (Section 7.01). Subject to such provision, the Trustee is under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any holders of Senior Debt Securities, unless offered reasonable security or indemnity by such holders against the costs, expenses and liabilities which might be incurred thereby (Section 7.02). 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 (Section 7.01). Century shall pay the Trustee reasonable compensation and reimburse it for all reasonable expenses incurred in accordance with the Indenture (Section 7.06).

The Trustee may resign with respect to one or more Series and a successor Trustee may be appointed to act with respect to such Series (Section 7.10).

The Trustee also serves as trustee for certain of Century's employee benefit plans and provides revolving credit and other traditional banking services to Century. The following officers and directors of Century are members of the board of directors of the Trustee: Clarke M. Williams, Chairman of the Board, Glen

F. Post, III, President, Chief Executive Officer and Vice Chairman of the Board, and William R. Boles, Jr., Director.

## **PLAN OF DISTRIBUTION**

Century may sell Senior Debt Securities (i) through underwriters or dealers, (ii) directly to one or more purchasers, (iii) through agents, or (iv) through a combination of any such methods of sale. The applicable Prospectus Supplement will set forth the terms of the offering of the Senior Debt Securities offered thereby, including the initial public offering price, the name or names of any underwriters, dealers or agents, any underwriting discounts and other items constituting underwriters' compensation from Century, any agents' commissions and any discounts, concessions or commissions allowed or reallocated or paid by any underwriters to other dealers. Only underwriters so named in the Prospectus Supplement shall be deemed to be underwriters in connection with the Senior Debt Securities offered thereby.

Underwriters may offer and sell any Series at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Century also may directly offer and sell any Series in exchange for, among other things, one or more of its outstanding issues of debt or convertible debt securities. Century also may from time to



time authorize agents acting on a best efforts basis to solicit or receive offers to purchase any Series upon the terms and conditions set forth in the related Prospectus Supplement. In connection with the sale of any Series, underwriters or agents may be deemed to have received compensation from Century in the form of underwriting discounts or commissions and may also receive commissions from purchasers of such Series for whom they may act as agents. Underwriters may sell any Series to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters or commissions from the purchasers for whom they may act as agent, or both.

Underwriters, dealers and agents may be entitled, under agreements entered into with Century, to indemnification against and contributions toward certain civil liabilities, including liabilities under the Securities Act. Century may agree to reimburse underwriters or agents for certain expenses incurred in connection with the distribution of any Series. Certain of the underwriters, dealers or agents and their respective associates may be customers of, engage in transactions with, and perform services for, Century in the ordinary course of business. The obligations of the underwriters to purchase the Senior Debt Securities of the Series offered will be subject to certain conditions precedent, and, unless otherwise indicated in the related Prospectus Supplement, the underwriters will be obligated to purchase all such Senior Debt Securities if any such securities are purchased.

If so indicated in the applicable Prospectus Supplement, Century will authorize agents, underwriters, or dealers to solicit offers by certain institutional investors to purchase Senior Debt Securities providing for payment and delivery on a future date specified in the Prospectus Supplement. There may be limitations on the minimum amount which may be purchased by any such institutional investor or on the portion of the aggregate principal amount of the particular Series of Senior Debt Securities that may be sold pursuant to such arrangements. Institutional investors to which such offers may be made, when authorized, include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and such other institutions as may be approved by Century. The obligations of any such purchasers pursuant to such delayed delivery and payment arrangements will not be subject to any conditions except (i) the purchase by an institution of the particular Senior Debt Securities shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject and (ii) if the particular Senior Debt Securities are being sold to underwriters, Century shall have sold to such underwriters the total principal amount of such Senior Debt Securities less the principal amount thereof covered by such delayed payment and delivery arrangements. Underwriters will not have any responsibility in respect of the validity of such arrangements or the performance of Century or such institutional investors thereunder.

The Senior Debt Securities of each Series, when first issued, will not have an established trading market. Any underwriters or agents to or through whom Senior Debt Securities are sold by Century for public offering and sale may make a market in such Senior Debt Securities, but such Underwriters or agents will not be obligated to do so and may discontinue any market making at any time without notice. If the Senior Debt Securities are traded after their initial issuance, they may trade at a discount from their initial public offering price, depending upon prevailing interest rates, the market for similar securities, the Company's performance and other factors. There can be no assurance that an active public market for the Senior Debt Securities will develop or be maintained.

## **LEGAL MATTERS**

The validity of the Senior Debt Securities being offered hereby will be passed upon for Century by Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., New Orleans, Louisiana. Certain legal matters relating to offerings of Senior Debt Securities will be passed upon on behalf of the applicable underwriters, dealers or agents by counsel named in the applicable Prospectus Supplement.

## **EXPERTS**

The consolidated financial statements and related financial statement schedules of Century as of December 31, 1993 and 1992, and for each of the years in the three-year period ended December 31, 1993 incorporated by reference herein have been incorporated by reference in reliance upon the report, also incorporated by reference herein, of KPMG Peat Marwick, independent certified public accountants, and upon the authority of said firm as experts in accounting and auditing. The report of KPMG Peat Marwick covering the consolidated financial statements and related financial statement schedules refers to changes in methods of accounting for income taxes and postretirement benefits other than pensions in 1992.

The consolidated balance sheets of Celutel as of April 30, 1993 and 1992, and the related consolidated statements of operations, changes in shareholders' deficit and cash flows for each of the years in the three-year period ended April 30, 1993, have been incorporated by reference herein in reliance on the report of Coopers & Lybrand, independent certified public accountants, given on the authority of such firm as experts in accounting and auditing.

No person has been authorized to give any information or to make any representations in connection with this offering other than those contained or incorporated by reference in this Prospectus Supplement and the accompanying Prospectus and, if given or made, such other information and representations must

\$150,000,000

not be relied upon as having been Century Telephone authorized by the Company or the Enterprises, Inc. Underwriters. Neither the delivery of this Prospectus Supplement and the accompanying Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company \$50,000,000 \_\_\_\_% Senior Notes, since the date hereof or that the Series A, Due 2004 information contained herein is correct as of any time subsequent to its date. Neither this Prospectus Supplement nor the accompanying Prospectus constitute an

offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which they relate or constitute an offer to sell or a solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful.

\$100,000,000 \_\_\_\_% Senior Notes,  
Series B, Due 2024

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