

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

CENTURY TELEPHONE ENTERPRISES INC

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SIC: **4813** Telephone communications (no radiotelephone)

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

FORM 10-K

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

For the fiscal year ended December 31, 1993

or

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

Commission file number 1-7784

CENTURY TELEPHONE ENTERPRISES, INC.

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

100 Century Park Drive, Monroe, Louisiana 71203

Telephone number (318) 388-9500

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

Exchange on which registered: New York Stock Exchange

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

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

Yes No

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

As of February 28, 1994, the aggregate market value of voting stock
held by non-affiliates (affiliates being for this purpose only
directors and executive officers) was approximately \$1,378,192,000.

As of February 28, 1994, there were 53,230,538 shares of common
stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Proxy Statement prepared in connection with the
1994 annual meeting of shareholders are incorporated in Part III of
this Report.

Appendix I of the Prospectus forming a part of Registration
Statement No. 33-50791 filed January 12, 1994 pursuant to Rule
424(b)(5) is incorporated in Part IV of this Report.

PART I

Item 1. Business.

Century Telephone Enterprises, Inc. ("Century") is a regional

diversified telecommuni-cations company that is primarily engaged in providing traditional telephone services and mobile communications services. For the year ended December 31, 1993, telephone operations and mobile communications operations provided 80% and 20%, respectively, of the consolidated revenues of Century and its subsidiaries (the "Company"). All of the Company's operations are conducted within the continental United States.

At December 31, 1993 the Company's telephone subsidiaries operated over 434,000 telephone access lines, primarily in rural, suburban and small urban areas in 14 states, with the largest customer bases located in Wisconsin, Louisiana, Michigan, Ohio and Arkansas. Based on the number of access lines served, the Company is the fifteenth largest local exchange telephone company in the United States.

Whenever used herein with respect to the Company, (i) the term "pops" means the population of licensed cellular telephone markets (based on 1993 population estimates of Donnelly Marketing Information Services) multiplied by the Company's proportionate equity interests in the licensed operators thereof, (ii) the term "MSA" means any Metropolitan Statistical Area for which the Federal Communications Commission (the "FCC") has granted a cellular operating license and (iii) the term "RSA" means any Rural Service Area for which the FCC has granted a cellular operating license.

Through its cellular operations, including those operations acquired in February 1994, the Company controls approximately 7.1 million pops in 27 MSAs, primarily concentrated in Michigan, Louisiana, Mississippi and Texas, and 32 RSAs, most of which are in Michigan, Louisiana, Arkansas and Wisconsin. The Company is the majority owner and operator in 18 of the MSAs and 13 of the 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. Of the Company's 7.1 million pops, approximately 73% are attributable to the Company's MSA interests, with the balance attributable to its RSA interests. Based on the population of the Company's majority-owned and operated MSAs and RSAs, the Company is the fifteenth largest operator of cellular telephone systems in the United States. At

December 31, 1993, the Company's majority-owned cellular systems had more than 116,000 cellular subscribers, not

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including approximately 28,000 subscribers acquired by the Company in connection with its February 1994 acquisition of Celutel, Inc. described further below. The Company also provides paging services to customers residing in Louisiana and Michigan in conjunction with the operation of its cellular systems.

The FCC has awarded only two licenses to provide cellular service in each market. During its licensing process, the FCC reserved one license for companies offering local telephone service in the market (the wireline carrier) and one license for entities unaffiliated with the local telephone company (the non-wireline carrier). Each of the MSAs that the Company operated as of December 31, 1993 and all but one of the RSAs operated by the Company are wireline markets.

In April 1993 the Company acquired San Marcos Telephone Company, Inc. ("SMTC") and SM Telecorp, Inc., an affiliate of SMTC. As a result of these acquisitions, the Company acquired approximately 22,500 telephone access lines in and around San Marcos, Texas, along with a 35% ownership interest in the Austin, Texas MSA wireline cellular market and a 9.6% interest in the Texas RSA #16 wireline cellular market, together representing approximately 327,000 pops.

In September 1993 the Company signed a definitive merger agreement to acquire a local exchange telephone company in Michigan which serves approximately 2,400 access lines and owns approximately 11% (representing approximately 33,000 pops) of a Michigan cellular partnership which holds the wireline licenses for two RSA cellular markets operated by the Company. This transaction is expected to be completed in March 1994.

In February 1994 the Company acquired Celutel, Inc. ("Celutel"), which provides cellular mobile telephone services to approximately 28,000 customers in three MSA non-wireline cellular markets in Mississippi and two MSA non-wireline cellular markets

in Texas which have a combined population of 1.4 million.

Celutel's share of the pops is approximately 1.1 million.

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

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Partially as a result of 1993 acquisitions, the Company also provides long distance, operator and interactive services in certain local and regional markets, as well as certain printing and related services. The results of these operations, which are not material individually or in the aggregate, are recorded for financial reporting purposes as other income, net.

Century was incorporated under Louisiana law in 1968 to serve as a holding company for several telephone companies acquired over the previous 15 to 20 years. Century's principal executive offices are located at 100 Century Park Drive, Monroe, Louisiana 71203 and its telephone number is (318) 388-9500. As of December 31, 1993, the Company employed approximately 2,800 persons, of which approximately 200 were covered by a collective bargaining agreement.

TELEPHONE OPERATIONS

The Company is the fifteenth largest local exchange telephone company in the United States, based on the more than 434,000 access lines it served at December 31, 1993. An access line is a single or multi-party circuit between a customer's business or residence and a central switching office. Through its operating telephone subsidiaries, Century provides services to predominately rural, suburban and small urban markets in 14 states, with Wisconsin, Louisiana, Michigan, Ohio and Arkansas accounting for the greatest share of access lines served.

Future growth in telephone operations is expected to be

derived from (i) acquiring additional telephone companies, (ii) providing service to new customers, (iii) upgrading existing customers to higher grades of service, (iv) increasing network usage and (v) providing additional services made possible by advances in technology. For information on developing competitive trends, see "-Regulation and Competition."

The replacement of mechanical switches with digital switches is an important component of the Company's growth strategy because it allows the Company to offer new services (such as call forwarding, conference calling, caller identification, selective call ringing and call waiting) and to thereby increase utilization of existing access lines. In 1993 the Company expanded its list of premium services offered in certain service areas and plans to aggressively market these services in 1994. In addition, with digital switching the Company has been able to construct central electronic monitoring facilities that allow employees to detect operating malfunctions in digital switches and, in many cases, to correct the malfunctions without a site visit by the Company's personnel, thereby reducing maintenance costs. Progress toward increased digital switching of

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the Company's telephone systems is demonstrated by the change in the number of digitally switched lines as a percentage of total lines, which increased from 19% in 1982 to 93% in 1993.

In addition, the Company is installing fiber optic cable in certain areas in which it operates and has provided alternative routing of telephone service over fiber optic cable networks in two of its larger operating areas.

Services

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

1993	1992	1991
------	------	------

Local service	25.4%	26.3	24.9
Network access and long distance	62.3	61.4	61.6
Other	12.3	12.3	13.5
	100.0%	100.0	100.0
=====			

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

Network access and long distance revenues primarily relate to services provided to interexchange carriers (long distance carriers) in connection with the origination and termination of long distance telephone calls. Substantially all of the Company's interstate network access revenues are derived through pooling arrangements administered by the National Exchange Carrier Association ("NECA"). NECA receives access charges billed by the Company and other participating local exchange carriers ("LECs") to interstate long distance carriers for their use of the participating LECs' local exchange networks to complete long distance calls and subsequently distributes these revenues to such LECs based on cost separations studies or average schedule settlement agreements. The charges billed to the long distance carriers are based on tariffed access rates filed with the FCC by NECA on behalf of the Company and other participating LECs. Interstate revenues as a percentage of total telephone revenues amounted to 32.1%, 31.4% and 31.0% in 1993, 1992 and 1991, respectively.

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Certain of the Company's intrastate network access revenues are derived through access charges billed by the Company directly to intrastate long distance carriers. Such intrastate network access charges are based on access tariffs which are subject to state regulatory commission approval. Additionally, certain of the Company's telephone subsidiaries' intrastate network access revenues, along with intrastate long distance revenues, are derived through state pooling arrangements and are determined based on cost separation studies or special settlement arrangements. The various intrastate access charges and state pooling arrangements are intended to compensate LECs for the use of their facilities furnished in originating and terminating

intrastate long distance telephone calls.

Other revenues include revenues related to non-regulated telecommunications equipment and services, billing and collection services for interexchange carriers, network facilities leases and directory revenues.

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

Federal Financing Programs

Certain of the Company's telephone subsidiaries receive long-term financing from the Rural Electrification Administration ("REA"), the Rural Telephone Bank ("RTB") and the Federal Financing Bank ("FFB"). The REA has made long-term loans to telephone companies since 1949 for the purpose of improving telephone service in rural areas. The REA continues to make new loans at interest rates that range from 5% to 7% based on borrower qualifications and the cost of money to the United States government. The RTB, established in 1971, makes long-term loans at an interest rate based on its average cost of funds as determined by statutory formula (6.35% for the fiscal year ended September 30, 1993), and in some cases makes loans concurrently with REA loans. In addition, the REA guarantees certain loans made to telephone companies by the FFB or other qualified lenders. A significant portion of the Company's telephone plant is pledged or is subject to mortgages to secure obligations of the Company's telephone subsidiaries to the REA, RTB and FFB. The amount of common stock dividends that may be paid by the Company's telephone subsidiaries is limited by certain financial requirements set forth in the mortgages.

Certain of the Company's telephone subsidiaries have made applications for additional loans from the REA and RTB and intend to make further applications as needs arise. There is no assurance that these applications will be accepted or that the terms or interest rates of any future

loan commitments will remain favorable. Federal budget proposals which could significantly reduce the availability of new loan commitments to the Company's telephone subsidiaries under the REA and RTB programs in future fiscal years were considered in recent years and are expected to continue to be considered. If the Company's telephone subsidiaries are unable to borrow additional funds through the REA and RTB programs and are forced to borrow from conventional lenders at market rates, the Company's cost of new loans might increase.

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

Regulation and Competition

Traditionally, LECs have operated as regulated monopolies. Consequently, the majority of the Company's telephone operations are regulated by various state regulatory agencies (generally called public service commissions or public utility commissions) and by the FCC. Although it is anticipated that regulation will continue for some time, the form or degree of such regulation is unknown. As discussed in greater detail below under "- Developments Affecting Competition," in recent years various aspects of federal and state regulation have been subject to reexamination and ongoing modification. As further indicated below, it is expected that regulation will decrease and competition will increase in the traditionally monopolistic portions of the industry.

Regulation of Rates and Related Matters. The FCC regulates the interstate services provided by the Company's telephone subsidiaries. This regulation primarily consists of the regulation of interstate access charges that are billed to interexchange carriers by the Company for use of its local network in connection with the origination and termination of interstate telephone calls. Additionally, the FCC prescribes rules and regulations for telephone companies, including a uniform system of accounts and rules regarding the separation of costs between jurisdictions and, ultimately, between services.

Effective January 1, 1991 the FCC adopted price-cap regulation relating to interstate access rates for the regional Bell operating companies and GTE. An annual opportunity to elect price-cap regulation is available for other LECs. Under price-cap regulation, limits imposed on a company's interstate rates will be adjusted periodically to reflect inflation, productivity improvement and changes in certain non-controllable costs. This alternative form of regulation took effect for AT&T's interstate rates on July 1, 1989. In May 1993 the FCC adopted an optional incentive regulatory plan for LECs not subject to price-cap regulation. A LEC electing

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the optional incentive regulatory plan would, among other things, file tariffs based primarily on historical costs and not be allowed to participate in the relevant NECA pooling arrangements. The Company has not elected price-cap regulation or the incentive regulatory plan, but will continue to reevaluate its options on a periodic basis. Consequently, the Company's telephone subsidiaries' authorized interstate access rate of return is 11.25%, which is the rate established by the FCC for LECs not governed by price-cap regulation or the optional incentive regulatory plan.

The local service rates and intrastate access charges of substantially all of the Company's telephone subsidiaries are regulated by state public service commissions. Most of these commissions also (i) regulate the sale and acquisition of LECs, (ii) prescribe depreciation rates and certain accounting procedures and (iii) regulate various other matters, including certain service standards and operating procedures. In certain states, construction and/or financing plans are also subject to regulatory approval.

In recent years, Ohio, Michigan, Wisconsin and a limited number of other state legislatures and regulatory commissions have begun to relax the regulation of LECs, including rates and earnings. Other states have announced their intention to study these issues and it is expected that several such states, including states in which the Company operates, may also relax

their regulation of LECs. This relaxed regulatory oversight of certain of the Company's telephone operations may permit the Company to offer new and competitive services faster than under the traditional regulatory process. Coincident with these efforts is the introduction of competition into traditionally monopolistic segments of the industry. For a more detailed discussion of these developments, see "-Developments Affecting Competition".

Substantially all of the state commissions that have regulatory jurisdiction over the Company's telephone operations have statutory authority to initiate and conduct earnings reviews of the LECs that they regulate. The specific limits of their authority vary depending upon the state and their particular statutory authority with respect to rate of return regulation and authorized returns. As indicated above, several states are moving away from traditional rate of return regulation, which reduces both the incentive and authority that the respective regulatory commissions have with respect to earnings reviews. Century does not currently have any operating telephone company subject to a formal earnings investigation. However, all independent LECs in Louisiana have been the subject of an informal earnings review by the Louisiana Public Service Commission during 1993. There is no assurance that this informal review (or any other future review in Louisiana or any other state) will not lead to future revenue reductions. Moreover, in light of the movement away from traditional rate of return regulation,

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no assurance can be given that the Company's telephone subsidiaries will continue to earn the same rate of return that they achieved in 1993.

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

Recently, the FCC and certain state public utility commissions have explored or implemented initiatives to reduce the funding of certain support mechanisms that have traditionally benefited LECs serving small communities and rural areas. In 1993 the eight-year phase-in of the FCC's mandated Universal Service Fund ("USF") was completed. In December 1993 the FCC adopted a provision which places certain limitations, including a cap, on the USF growth rate during 1994 and 1995. The Company anticipates that, subsequent to 1993, revenues from the USF will continue to increase in the near term, but at a lesser percentage rate than that associated with recent prior periods. The FCC has announced that it intends to comprehensively study the USF during 1994 and 1995 to determine if permanent rule changes should be effected. In addition, the Public Service Commission of Wisconsin ("PSCW") has ordered the existing Wisconsin state support fund to be phased-out over one and one-half years beginning July 1, 1993. Certain of the Company's subsidiaries affected by the order have filed requests with the PSCW to receive increased rates and/or compensation which could potentially offset some or all of the amounts that those subsidiaries have been receiving from such support fund. All such additional revenue must be justified based on each subsidiary's financial need as demonstrated by an expedited rate case.

Certain long distance carriers have requested the Company to reduce intrastate access tariffed rates for certain of its telephone subsidiaries. Although intrastate access tariffed rates are subject to state regulatory commission approval, there is no assurance that final resolution of these requests will not result in reduced intrastate access revenues.

Developments Affecting Competition. Primarily as a result of regulatory and technological changes, competition has been introduced and encouraged in certain sectors of the telephone industry, including interstate and intrastate toll, special access services and customer premise equipment. In 1992 the FCC took a step toward introducing competition in the local exchange access business by ordering that competitive access providers, interexchange carriers and others

have the right to directly interconnect facilities to the central offices of certain larger (Tier One) telephone companies for the provision of interstate special transport access services. The intent of this order and other related FCC decisions is to allow interstate special access competition with telephone companies and provide telephone companies with limited pricing flexibility. In a related proceeding the FCC also issued proposals to expand competitive interconnection to LECs' switched access services in the future.

Principally as a result of these and other regulatory actions, competition from competitive access providers and others has increased and is expected to continue to increase. Certain states are considering steps that would further introduce competition into the LEC business. Moreover, certain well-established interexchange carriers have publicly announced their desire to enter the LEC business. Although local exchange competition and competitive access are expected to initially affect large urban areas to a greater extent than rural, suburban and small urban areas such as those in which the Company's telephone operations are located, there is no assurance that these developments will not have an adverse effect on the Company in the future.

Certain providers and users of toll service may seek to bypass LECs' switching services and local distribution facilities, particularly if services are not strategically priced. There are three primary ways which users of toll service may bypass the Company's switching services. First, users may construct and operate or lease facilities to transmit their traffic to an interexchange carrier. Second, certain interexchange carriers provide services which allow users to divert their traffic from LECs' usage-sensitive services to their flat-rate services. Third, users may choose to use mobile communications services to bypass LECs' switching services. Within the past two years, each of the three largest interexchange carriers in the United States has acquired, or has entered into preliminary or definitive agreements to acquire interests in mobile communications companies, presumably in part to obtain bypass capabilities. Although certain of the Company's telephone subsidiaries have experienced a loss of traffic to such bypass, the impact of such loss on revenues has not been significant. The Company and the

exchange carrier industry are seeking to address bypass by adopting flexible pricing of access and toll services where appropriate, although no assurance can be given as to the ultimate outcome of these efforts.

As the mobile communications industry matures, the Company anticipates that existing and emerging mobile communications technologies will increasingly compete with traditional LEC services. Technological and regulatory developments in cellular telephone, personal communications services, digital microwave, coaxial cable, fiber optics and other wired and wireless technologies are expected to further permit the development of alternatives to traditional

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landline services . For further information on these developments, see "Mobile Communications Operations - Regulation and Competition."

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. In particular, several large cable television companies have announced plans that, if successfully implemented, could provide significant competition with LECs' traditional services. Other companies with wireline experience (including electric utilities) are expected to explore opportunities in this market, along with wireless companies and other emerging technology companies. Although the development of new multimedia services is expected to initially have a greater effect on larger urban areas, no assurance can be given as to how the offering of these products or services by others will affect the Company. For information on the effects of these developments on the Company's cellular operations, see "Mobile Communications Operations - Regulation and Competition."

Several bills have been filed in the U. S. Congress that have the potential to significantly alter the telecommunications

industry and its regulatory framework. Several of these bills are designed to promote local telephone competition and obligate LECs to provide competitors with universal access to their networks and facilities. Several others are designed to remove barriers of entry to several lines of telecommunications businesses, including current barriers that prohibit the regional Bell operating companies and others from providing interstate and intrastate services and that prohibit LECs from providing cable television services. In addition, the Clinton administration and Congress have proposed legislative and regulatory initiatives to promote wireless technologies as part of the development of a national information infrastructure. Although it is currently impossible to assess the ultimate effect of these initiatives, there can be no assurances that those bills, or others that may follow, will not materially affect the Company's telephone or cellular operations.

The Company anticipates that the traditional operations of LECs will increasingly be affected by continued technological developments and continued legislative and regulatory initiatives affecting the ability of LECs to provide new services and the ability of cable companies, interexchange carriers, competitive access providers and others to provide competitive LEC services. The Company intends to actively monitor these developments, to observe the effect of emerging competitive trends in initial test markets (which are expected to be large urban

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areas) and to continue to evaluate new business opportunities that may arise out of future technological, legislative and regulatory developments.

MOBILE COMMUNICATIONS OPERATIONS

The Company is the fifteenth largest operator of cellular telephone systems in the United States, based on the population of the Company's majority-owned and operated MSAs and RSAs. The number of pops owned by a cellular operator does not represent the number of users of cellular service and is not necessarily indicative of the number of potential subscribers. Rather, this

term is frequently used as a basis for comparing the size of cellular system operators. At December 31, 1993, the Company's pops exceeded 5.9 million. Over 1.1 million additional pops were acquired in the February 1994 acquisition of Celutel. Of the approximately 7.1 million pops controlled by the Company, approximately 5.2 million (73%) are applicable to MSAs and approximately 1.9 million (27%) are RSA pops.

Cellular Industry

The cellular telephone industry has been in existence for just over ten years in the United States. Although the industry is relatively new, it has grown significantly during this period. According to the Cellular Telecommunications Industry Association, at December 31, 1993 there were estimated to be approximately 16 million cellular customers across the United States. Cellular service is now available to substantially all areas of the United States.

Cellular mobile telephone technology was developed in response to certain limitations of conventional mobile telephone systems. Compared to such conventional systems, cellular mobile telephone service is capable of high-quality, high-capacity communications to and from vehicle-mounted and hand-held radio telephones. While conventional mobile systems limit the number of people who can utilize the service simultaneously, cellular systems, if properly designed and equipped, are capable of handling thousands of calls at any given time and are capable of providing service to tens of thousands of subscribers in a market.

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

Communications within a cellular system are controlled by the

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

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

Until recently, substantially all of the radio transmissions of cellular systems were conducted on an analog basis. Technological developments involving the application of digital radio technology may offer certain advantages over analog technologies, including expanding the capacity of mobile communications systems, improving voice transmission quality, permitting the introduction of new services, and otherwise making such systems more efficient, more accessible, more private and eventually less expensive. Providers of certain competitive services are currently incorporating digital technology into their operations, and may be expected to continue to do so in the future. See "-Regulation and Competition-Developments Affecting Competition."

In recent years certain cellular carriers have begun to install digital cellular voice transmission facilities in certain larger markets. During 1993 the Company upgraded certain portions of its cellular systems in Louisiana and Michigan to be capable of providing digital service in the future. The Company will continue to monitor the development and implementation of this

technology to determine when it will become beneficial for the Company to install digital cellular voice transmission facilities. See "-Regulation and Competition-Developments Affecting Competition."

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Strategy

The Company's business development strategy for its cellular telephone operations is to secure operating control of service areas that are geographically clustered. Clustered cellular systems aid the Company's marketing efforts and provide various operating and service advantages. After giving effect to those operations acquired in February 1994, 51% of the Company's pops in markets operated by the Company were in a single, contiguous cluster of eight MSAs and six RSAs in Michigan; another 19% were in a cluster of four MSAs and seven RSAs in northern and central Louisiana, southern Arkansas and eastern Texas.

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

In connection with its February 1994 acquisition of Celutel, the Company acquired over 84 percent of the Biloxi/Gulfport, Mississippi MSA and over 82% the Pascagoula, Mississippi MSA. The interstate highway between New Orleans, Louisiana and Mobile, Alabama spans these markets. In connection with this acquisition, the Company also acquired over 86% interest in the Jackson, Mississippi MSA; over 77% in the Brownsville, Texas MSA; and over

67% in the McAllen, Texas MSA. Jackson is the state capital and is located in central Mississippi where two interstate highways intersect. The MSAs in Texas are adjacent to Mexico and consist of urban, resort, farm and ranch areas and include two Foreign Trade Zones.

Marketing

The Company coordinates the marketing strategy for each cellular system in which it has a majority interest. The Company's cellular sales force consists of approximately 60 sales employees and approximately 200 independent agents. Each sales employee and independent agent solicits cellular customers exclusively for the Company. Company sales employees are

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compensated by salary and commission and independent sales agents are paid commissions. The Company advertises its services through various means, including direct mail, billboard, magazine, radio, television and newspaper advertisements.

The Company is a founding partner and participant in a national alliance of 15 leading mobile communications companies which is marketing a national brand of cellular service under the name MobiLink. This cellular alliance offers a customer satisfaction guarantee and certain quality standards.

Services, Customers and System Usage

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

The Company's customers are able to choose from a variety of packaged pricing plans which are designed to fit different calling patterns. The Company typically charges its customers separately for custom-calling features, air time in excess of the packaged

amount, and toll calls. Custom-calling features provided by the Company include call-forwarding, call-waiting, three-way calling and no-answer transfer. The Company offers a voice message service in many of its markets. This service, which functions like a sophisticated answering machine, allows customers to receive messages from callers when they are not available to take calls.

Cellular customers come from a wide range of occupations. They typically include a large proportion of individuals who work outside of their office, such as employees in the construction, real estate, wholesale and retail distribution businesses, and professionals. More customers are selecting portable and other transportable cellular telephones as these units become more compact and fully featured, as well as more attractively priced. It is anticipated that average revenue per customer will continue to decline as additional non-commercial customers who generate fewer local minutes of use are added as subscribers and as roaming revenues grow more slowly.

An added service offered by the Company allows a customer to place or receive a call in a cellular service area away from the customer's home market area. The Company has entered into "roaming agreements" with operators of other cellular systems covering virtually all systems in

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the United States. These agreements offer the Company's customers the opportunity to roam in these systems. These reciprocal agreements automatically pre-register the customers of the Company's system in the other carriers' systems. Also, a customer of a participating non-Company system traveling in a market operated by the Company where this arrangement is in effect is able to automatically make and receive calls on the Company's system. The charge to a non-Company customer for this service is typically at premium rates, and is billed by the Company to the customer's home system, which then bills the customer. Occasionally, the Company will enter into reciprocal agreements with other cellular carriers to settle roaming usage at a rate different from such premium rates. In some instances, based on competitive factors, the Company may

charge a lower amount to its customers than the amount actually charged by another cellular carrier for roaming. The Company anticipates that competitive factors may place downward pressures on charging premium roaming rates. For additional information on roaming revenue, see"-Strategy."

During 1993, the Company's cellular subsidiaries experienced strong subscriber growth in the fourth quarter, primarily due to increased holiday season sales. According to the Cellular Telecommunications Industry Association, industry-wide cellular sales have been seasonally strong in the fourth quarter for the past several years.

The following table summarizes, among other things, certain information about the Company's customers and market penetration (without giving effect to the operations acquired in February 1994):

<TABLE>
<CAPTION>

	Year Ended or At December 31,		
	1993	1992	1991
<S>	<C>	<C>	<C>
Majority-owned and operated MSA and RSA systems (Note 1):			
Cellular systems operated	26	25	22
Total population of systems operated	5,015,463	4,813,985	4,312,712
Customers (Note 2):			
At beginning of period	73,084	51,083	35,815
Additions during period	62,564	35,713	27,222
Disconnects during period	19,164	13,712	11,954
At end of period	116,484	73,084	51,083
Market penetration at end of period (Note 3)	2.32%	1.52%	1.18%
Construction expenditures (000s)	\$ 56,070	\$ 10,806	\$ 12,387
All operated MSA and RSA systems (Note 4):			
Cellular systems operated	31	31	26
Total population of systems operated	6,084,794	5,997,360	4,963,127
Customers at end of period (Note 5)	124,908	77,106	52,411
Market penetration at end of period	2.05%	1.29%	1.06%

</TABLE>

Notes:

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

2. Represents the approximate number of revenue-generating

cellular telephones served by the cellular systems referred to in footnote 1.

3. Computed by dividing the number of customers at the end of the period by the total population of markets in service as estimated by Donnelly Marketing Information Services for the respective years.

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

5. Represents the approximate number of revenue-generating cellular telephones served in all systems that the Company operated, including systems in which it does not own a controlling interest.

The Company's Cellular Interests

The table below sets forth certain information with respect to the interests in cellular systems that the Company owned or had the right to acquire pursuant to definitive agreements as of December 31, 1993:

<TABLE>
<CAPTION>

	1993 population	Ownership percentage	Net 1993 pops	Other cellular operator (1)
<S>	<C>	<C>	<C>	<C>
Majority-Owned MSAs				
Grand Rapids, MI	718,689	97.92%	703,740	PACTEL
Lansing, MI	500,081	99.00%	495,080	PACTEL
Saginaw, MI	402,331	91.70%	368,938	PACTEL
Kalamazoo, MI	298,247	97.92%	292,043	Centennial
Battle Creek, MI	190,797	77.94%	148,700	Centennial
Muskegon, MI	185,830	97.92%	181,965	PACTEL
Benton Harbor, MI	161,539	97.92%	158,179	Masters Cellular
Jackson, MI	152,205	99.00%	150,683	Centennial
Shreveport, LA	371,681	62.00%	230,442	McCaw
Alexandria, LA	150,358	100.00%	150,358	Centennial
Monroe, LA	145,654	62.00%	90,305	McCaw
Jackson, MS (3)	406,000	86.06%	349,423	MCTA
Biloxi-Gulfport, MS (3)	213,986	84.82%	181,492	Cellular South
Pascagoula, MS (3)	120,464	82.57%	99,470	Cellular South
LaCrosse, WI	99,124	95.00%	94,168	U. S. Cellular
McAllen-Edinburg-Mission, TX (3)	419,283	67.27%	282,052	Southwestern Bell Mobile Systems
Brownsville-Harlingen, TX (3)	279,597	77.42%	216,456	Southwestern Bell Mobile Systems
Texarkana, AR/TX	134,891	89.00%	120,053	McCaw
	4,950,757		4,313,547	

</TABLE>

<TABLE>
<CAPTION>

	1993 population	Ownership percentage	Net 1993 pops	Other cellular operator (1)
<S>	<C>	<C>	<C>	<C>
Minority-owned MSAs				
Flint, MI	504,031	3.04%	15,323	(2)
Detroit, MI	4,596,929	3.04%	139,747	(2)
Appleton/Oshkosh/Neenah, WI	466,005	10.83%	50,468	(2)
Duluth, MN/WI	242,628	16.33%	39,621	(2)
Owensboro, KY	88,896	5.73%	5,094	(2)
Little Rock, AR	528,129	36.00%	190,126	(2)
Evansville, IN	316,107	5.73%	18,113	(2)
Lafayette, LA	251,746	49.00%	123,356	(2)
Austin, TX	850,163	35.00%	297,557	(2)
	7,844,634		879,405	
TOTAL MSAs	12,795,391		5,192,952	

RSAs

Arizona 2	224,764	21.30%	47,875	(2)
Arizona 3	144,585	58.70%	84,865	Sprint Cellular
Arkansas 2	77,044	82.00%	63,176	Sterling Cellular
Arkansas 3	101,555	82.00%	83,275	Sterling Cellular
Arkansas 11	67,078	89.00%	59,699	Mercury Communications
Arkansas 12	188,142	80.00%	150,514	Mercury Communications
Colorado 6	62,251	25.00%	15,563	(2)
Colorado 7	44,328	20.00%	8,866	(2)
Iowa 13	66,743	10.00%	6,674	(2)
Louisiana 1	112,382	62.00%	69,677	McCaw
Louisiana 2	113,620	62.00%	70,444	Sterling Cellular
Louisiana 3 (B2)	93,171	62.00%	57,766	Mid South Cellular
Louisiana 4	71,196	100.00%	71,196	Mid South Cellular
Michigan 3	151,737	33.43%	50,725	Unitel
Michigan 5	149,145	33.43%	49,859	Unitel
Michigan 6	140,994	98.00%	138,174	Sterling Cellular
Michigan 7	233,450	36.50%	85,209	Sterling Cellular
Michigan 8	95,178	97.92%	93,198	Allegan Cellular
Michigan 9	289,415	43.38%	125,548	Centennial
Michigan 10	132,716	26.00%	34,506	(2)
Minnesota 6 (3)	241,382	100.00%	241,382	Cellular 2000
Minnesota 11	203,134	9.51%	19,324	(2)
New Mexico 1	245,584	22.22%	54,574	Sprint Cellular
New Mexico 3	76,635	25.00%	19,159	(2)
New Mexico 4W	123,643	35.71%	44,158	(2)
Texas 7 (B6)	57,709	89.00%	51,361	McCaw
Texas 16	308,447	9.60%	29,611	(2)
Wisconsin 1	105,662	8.44%	8,920	(2)
Wisconsin 2	83,672	12.81%	10,718	(2)
Wisconsin 3	134,703	14.29%	19,243	(2)
Wisconsin 6	114,135	28.57%	32,610	(2)
Wisconsin 10	126,854	15.00%	19,028	(2)
TOTAL RSAs	4,381,054		1,916,897	
GRAND TOTALS	17,176,445		7,109,849	

</TABLE>

- (1) To the best of the Company's knowledge.
- (2) Markets not operated by the Company.
- (3) Represents a non-wireline interest.

Certain Considerations Regarding Cellular Telephone Operations

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

Management believes that a significant portion of the aggregate market value of Century's common stock is represented by the current market value of its cellular interests. There can be no assurance that the market value of its cellular interests will remain at its current level. Management believes that decreases in the market value of such interests could materially decrease the trading price of Century common stock.

The market value of cellular interests is frequently determined on the basis of 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 market value of the Company's cellular interests will depend on, among other things, the success of its cellular operations.

Paging

As part of the Company's strategy of focusing its resources in the cellular and telephone businesses, the Company's Florida paging operations were sold during 1991. The Company continues to provide paging services to customers in Michigan and Louisiana in conjunction with the operation of its majority-owned cellular systems. As of December 31, 1993, the Company had approximately 9,500 pagers in service.

Revenue

The following table reflects the major revenue categories for the Company's mobile communications operations as a percentage of total mobile communications revenues in 1993, 1992 and 1991.

	1993	1992	1991
Cellular access fees, toll revenues and equipment sales	80.5%	78.6	72.4
Cellular roaming	14.5	14.3	16.4
Paging services	5.0	7.1	11.2
	100.0%	100.0	100.0
	=====		

For further information on these revenue categories, see"-

Regulation And Competition

The FCC and various state public utility commissions regulate the licensing, construction, operation, interconnection arrangements, sale and acquisition of cellular telephone systems and certain state public utility commissions also regulate certain aspects of pricing by cellular operators.

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

The completion of acquisitions involving the transfer of control of a cellular system requires prior FCC approval and, in certain cases, receipt of other federal and state regulatory approvals. Acquisitions of minority interests generally do not require FCC approval. Whenever FCC

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approval is required, any interested party may file a petition to dismiss or deny the application for approval of the proposed transfer.

Initial operating licenses are granted for ten-year periods and are renewable upon application to the FCC for periods of ten years. Licenses may be revoked and license renewal applications denied for cause. There may be competition for licenses upon the expiration of the initial ten-year terms and there is no assurance that any license will be renewed, although the FCC has issued a decision that grants a renewal expectancy during the license

renewal period to incumbent licensees that substantially comply with the terms and conditions of their cellular authorizations and the FCC's regulations. The licenses for the MSA markets operated by the Company were initially granted between 1984 and 1987, and licenses for operated RSAs were initially granted between 1989 and 1991.

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

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

Developments Affecting Mobile Communications Competition. Continued and rapid technological advances in the communications field, coupled with legislative and regulatory uncertainty, make it impossible to (i) predict the extent of future competition to cellular systems, (ii) determine which emerging technologies pose the most viable alternatives to the Company's cellular operations, or (iii) systematically list each development that may ultimately impact the

Company's cellular operations. No assurance can be given that current or future technological advances, or legislative or regulatory changes, will not impact the Company's cellular operations.

Several recent FCC initiatives have resulted in the allocation of additional radio spectrum or the issuance of experimental licenses for emerging mobile communications technologies that will or may be competitive with the Company's cellular and telephone operations, including personal communication services ("PCS"). Due to PCS' next generation, high-capacity digital technology (which has been tested under experimental licenses since late 1989), PCS may be able to offer wireless data, image and other advanced wireless services. In late 1993, the FCC proposed rules for auctioning up to seven PCS licenses per market, two of which would entitle the licensees to use 30 megahertz ("MHz") of frequency band each, one of which would entitle the licensee to use 20 MHz, and four of which would entitle the licensees to use 10 MHz each. These rules would divide the United States into 540 licensed markets, none of which would be co-terminus with current cellular markets. Under these rules, the Company will be permitted to freely pursue PCS licenses outside its cellular markets, but will be limited to acquiring only one 10 MHz block in licensed areas where it controls more than a 20% interest in a cellular licensee and serves more than 10% of the population within the PCS licensed area. Auctioning of certain PCS licenses is anticipated to commence in 1994. Due to several pending petitions to reconsider these rules, it is possible that the final rules will be modified.

In addition to PCS, users and potential users of cellular systems may find their communication needs satisfied by other current and developing technologies, several of which may enjoy potential operational and service advantages through their use of digital technology. The FCC has recently authorized the licensees of certain specialized mobile radio service ("SMR") systems (which currently are generally used by taxicabs and tow truck operators) to configure their systems so as to operate in a manner similar to

cellular systems. The Company believes that SMR systems are operating in a majority of its cellular markets. Certain well-established SMR providers have announced their intention to create a nationwide digital mobile communications system to compete with cellular systems, and in connection therewith have sought and obtained financial and other assistance from various other well-established telecommunication companies. Other similar communication services which have the technical capability to handle mobile telephone calls may provide competition in certain markets, although these services currently lack the subscriber capacity of cellular systems. One-way paging or beeper services that feature voice message and data display as well as tones may be adequate for potential subscribers who do not need to transmit back to the caller. Other two-way mobile services may also be competitive with the Company's services. For example, the second

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generation of cordless telephone technology ("CT-2") will permit the application of this technology to a public environment.

The FCC has taken various actions to authorize mobile satellite systems in which transmissions from mobile units to satellites would augment or replace transmissions to land-based stations. It is anticipated that the first operational satellite-based mobile communications system will serve primarily rural customers in North America. However, other satellite-based systems are being studied and designed, including a worldwide-system backed by an international consortium, and no assurance can be given that such systems will not ultimately be successful in augmenting or replacing land-based cellular systems.

As described further under "Telephone Operations - Regulation and Competition," 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 transmissions services and, in some instances, introduce new services. Although much of the resulting competition is expected to center on wireline services, it is anticipated that these developments may also increase

competition in the mobile communications industry. Several wireless data and computer companies are currently developing and, in some instances, marketing small hand-held products that may ultimately provide an additional source of competition for cellular systems, and it is anticipated that this trend will continue.

As also described further under "Telephone Operations - Regulation and Competition," several bills have been filed in the U.S. Congress that have the potential to significantly alter the telecommunications industry, including various bills that focus on the mobile communications industry.

It is uncertain how PCS, SMR, CT-2, mobile satellites and other emerging technologies will ultimately affect the Company. However, PCS, SMR, CT-2 and mobile satellites are not anticipated to be significant sources of competition in the Company's markets in the near term. Moreover, management believes that equipping its current cellular networks with digital enhancements and applying new microcellular technologies may permit its cellular systems to provide services comparable with the emerging technologies described above, although no assurances can be given that this will happen or that future technological advances or legislative or regulatory changes will not create additional sources of competition.

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Paging. There is vigorous competition for paging customers in most of the areas served by the Company. Some of the Company's competitors have greater assets and resources than the Company. The paging companies compete on the basis of price, the reliability and strength of their signals, the size of the area served and the customer service they provide. In recent months, certain other companies have reduced prices on nationwide paging services, a development which is not expected to have a substantial impact on the Company's consolidated operations.

The FCC has authorized the use of cellular frequencies to provide paging service, creating the potential for new competitors. It is anticipated that all or substantially all of

the developments described in the immediately preceding section will affect the Company's paging operations. It is too early to predict the extent to which these developments may affect the Company.

OTHER

The Company has certain obligations based on federal, state and local laws relating to the protection of the environment. Costs of compliance through 1993 have not been material and the Company currently has no reason to believe that such costs will become material.

For additional information concerning the business and properties of the Company, see notes 2, 6, 7 and 12 of Notes to Consolidated Financial Statements set forth in Item 8 elsewhere herein.

Item 2. Properties.

The Company's properties consist principally of (i) telephone lines, central office equipment, telephone instruments and related equipment, and land and building related to telephone operations and (ii) switching and cell site equipment related to cellular telephone operations. As of December 31, 1993, the Company's gross property, plant and equipment of approximately \$1.2 billion consisted of the following:

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Telephone:	
General support	7.3%
Central office equipment	24.0
Information origination/termination equipment	3.1
Cable and wire	43.8
Construction in progress	4.6
Other	.9
	<hr/>
	83.7
Mobile Communications	9.7
Other	6.6
	<hr/>
	100.0%
	=====

"General support" consists primarily of land, buildings, tools, furnishings, fixtures, motor vehicles and work equipment.

"Central office equipment" consists primarily of switching equipment, circuit equipment, and related facilities.

"Information origination/termination equipment" consists primarily of premise equipment (private branch exchanges and telephones) for official company use. "Cable and wire" facilities consist primarily of buried cable and aerial cable, poles, wire, conduit and drops. "Construction in progress" includes property of the foregoing categories that has not been placed in service because it is still under construction. The properties of the Company's telephone subsidiaries are subject to mortgages securing the funded debt of such companies. The Company owns substantially all of the central office buildings, local administrative buildings, warehouses, and storage facilities used in its telephone operations. The Company leases most of the offices used in its cellular operations; certain of its transmitter sites are leased while others are owned by the Company. For further information on the location and type of the Company's properties, see the descriptions of the Company's telephone and mobile communications operations in Item 1.

Item 3. Legal Proceedings.

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

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

Not applicable.

Executive Officers of the Registrant

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

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

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

	Sale prices		Dividend per common share
	High	Low	
1992:			
First quarter	\$ 24-7/8	18-5/8	.0733
Second quarter	\$ 25-3/8	18-3/8	.0733
Third quarter	\$ 25	18-5/8	.0733
Fourth quarter	\$ 28-7/8	22-7/8	.0733
1993:			
First quarter	\$ 33-3/8	26	.0775
Second quarter	\$ 33-1/8	28	.0775
Third quarter	\$ 31-5/8	27-1/8	.0775
Fourth quarter	\$ 30-3/8	23-1/4	.0775

Common stock dividends during 1992 and 1993 were paid each quarter. As of February 28, 1994, there were approximately 5,900 stockholders of record of Century's common stock.

Item 6. Selected Financial Data.

The following table presents certain selected consolidated financial data as of and for each of the years ended in the five-year period ended December 31, 1993.

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Selected Income Statement Data

<TABLE>
<CAPTION>

	Year ended December 31,				
	1993	1992	1991	1990	1989
	(expressed in thousands, except per share amounts)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues					
Telephone	\$ 348,485	297,510	235,796	215,771	190,538
Mobile Communications	84,712	62,092	46,731	34,594	24,852
Total revenues	\$ 433,197	359,602	282,527	250,365	215,390
Operating income (loss)					
Telephone	\$ 114,902	103,672	80,039	70,654	61,153
Mobile Communications	9,906	5,956	(4,952)	(9,553)	(13,970)

Total operating income	\$ 124,808	109,628	75,087	61,101	47,183
Income before cumulative effect of changes in accounting principles	\$ 69,004	59,973	37,419	31,098	22,164
Cumulative effect of changes in accounting principles	-	(15,668)	-	-	-
Net income	\$ 69,004	44,305	37,419	31,098	22,164
Fully diluted earnings per share before cumulative effect of changes in accounting principles	\$ 1.32	1.22	.79	.66	.49
Cumulative effect of changes in accounting principles	-	(.31)	-	-	-
Fully diluted earnings per share	\$ 1.32	.91	.79	.66	.49
Dividends per common share	\$.310	.293	.287	.280	.272
Average fully diluted shares outstanding	55,892	48,653	47,432	46,944	44,540

</TABLE>

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Selected Balance Sheet Data

<TABLE>
<CAPTION>

	December 31,				
	1993	1992	1991	1990	1989
	(expressed in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Net property, plant and equipment	\$ 827,776	675,878	534,998	490,957	474,158
Excess cost of net assets acquired, net	\$ 297,158	217,688	114,258	110,013	109,197
Total assets	\$1,319,390	1,040,487	764,539	706,411	691,569
Long-term debt	\$ 460,933	391,944	254,753	230,715	257,708
Stockholders' equity	\$ 513,768	385,449	319,977	280,915	256,530

</TABLE>

The following table presents certain selected consolidated operating data as of the end of each of the years in the five-year period ended December 31, 1993.

<TABLE>
<CAPTION>

	Year ended December 31,				
	1993	1992	1991	1990	1989
<S>	<C>	<C>	<C>	<C>	<C>
Telephone access lines	434,691	397,300	314,819	304,915	296,034
Cellular units in service in majority-owned markets	116,484	73,084	51,083	35,815	23,199

</TABLE>

See Items 1 and 2 in Part I and notes 4, 8 and 12 of Notes to Consolidated Financial Statements set forth in Item 8 elsewhere herein for additional information.

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

RESULTS OF OPERATIONS

The 1993 net income of Century Telephone Enterprises, Inc. and subsidiaries (the "Company") increased to \$69,004,000 from \$44,305,000 during 1992 and \$37,419,000 during 1991. Income before the cumulative effect of changes in accounting principles during 1992 was \$59,973,000.

Fully diluted earnings per share for 1993 increased to \$1.32 from \$.91 during 1992 and \$.79 during 1991. Fully diluted earnings per share in 1992 before the cumulative effect of changes in accounting principles was \$1.22.

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As of January 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other than Pensions," and Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes." The cumulative effect of the changes in accounting principles related to SFAS 106 and SFAS 109 reduced 1992 net income by \$14,755,000 (\$.30 per share) and \$913,000 (\$.01 per share), respectively.

The Company is a regional diversified telecommunications company that is primarily engaged in providing traditional telephone services and cellular mobile telephone services. The Company's 1993 operating income was \$124,808,000, an increase of \$15,180,000 (13.8%) over 1992 operating income of \$109,628,000. During 1993 the operating income of the telephone operations and the mobile communications operations increased \$11,230,000 (10.8%) and \$3,950,000 (66.3%), respectively, compared to the 1992 results of operations. The Company's net operating income during 1991 was \$75,087,000.

Year ended December 31,	1993	1992	1991
=====			
(expressed in thousands, except per share amounts)			

Operating income (loss)			
Telephone	\$ 114,902	103,672	80,039
Mobile Communications	9,906	5,956	(4,952)
	124,808	109,628	75,087
Interest expense	(30,149)	(27,166)	(22,504)
Earnings from unconsolidated			
cellular partnerships	6,626	1,692	697
Gain on sales of assets	1,661	3,985	-
Other income, net	3,310	4,433	4,209
Income tax expense	(37,252)	(32,599)	(20,070)
Income before cumulative effect			
of changes in accounting			
principles	69,004	59,973	37,419
Cumulative effect of changes in			
accounting principles	-	(15,668)	-
Net income	\$ 69,004	44,305	37,419
=====			
Fully diluted earnings per share:			
Income before cumulative			
effect of changes in			
accounting principles	\$ 1.32	1.22	.79
Cumulative effect of changes			
in accounting principles	-	(.31)	-
Fully diluted earnings per share	\$ 1.32	.91	.79
=====			

The operating income of the telephone segment includes the operations, subsequent to each respective acquisition, of Century Telephone of San Marcos, Inc. ("San Marcos"), acquired

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in April 1993; Century Telephone of Ohio, Inc. ("Ohio"), acquired in April 1992; and two other local exchange telephone companies collectively with Ohio the "1992 Acquisitions") acquired during the first quarter of 1992. See note 12 for additional information applicable to these acquisitions.

The mobile communications operating income (loss) reflects the operations of the cellular partnerships in which the Company has a majority interest. The minority interest partners' share of the income or loss of such partnerships is reflected in other income, net. The Company's share of income or loss from the cellular partnerships in which it has less than a majority interest is reflected in earnings from unconsolidated cellular partnerships. The operating income of the mobile communications segment during 1993 includes the operations of the Alexandria, Louisiana Metropolitan Statistical Area ("MSA") cellular system ("Alexandria"), which was acquired in December 1992.

According to published sources, the Company has the second highest ratio of cellular subscribers to telephone access lines

among the 20 largest telephone companies in the United States.

Accordingly, the Company anticipates that its mobile communications operations will continue to increasingly influence the Company's overall operations as the cellular industry matures. The following chart illustrates this trend:

Year ended December 31,	1993	1992	1991
=====			
Telephone Operations:			
Revenues (% of total revenues)	80.4%	82.7	83.5
Operating income (% of total operating income)	92.1%	94.6	106.6
Mobile Communications Operations:			
Revenues (% of total revenues)	19.6%	17.3	16.5
Operating income (% of total operating income)	7.9%	5.4	(6.6)
=====			

TELEPHONE OPERATIONS

	1993	1992	1991
=====			
(expressed in thousands)			
Revenues			
Local service	\$ 88,704	78,108	58,653
Network access and long distance	217,055	182,711	145,279
Other	42,726	36,691	31,864
	348,485	297,510	235,796

Expenses			
Plant operations	80,578	66,878	52,546
Customer operations	32,225	26,242	19,502
Corporate and other	55,605	46,791	39,227
Depreciation and amortization	65,175	53,927	44,482
	233,583	193,838	155,757

Operating income	\$ 114,902	103,672	80,039
=====			

Telephone revenues increased \$50,975,000 (17.1%) in 1993 and \$61,714,000 (26.2%) in 1992. Revenues applicable to San Marcos and Ohio accounted for \$15,681,000 and \$14,833,000, respectively, of the 1993 increase and revenues applicable to the 1992 Acquisitions accounted for \$34,891,000 of the 1992 increase. Amounts recorded as a result of revisions of prior years' revenue settlements were \$8,380,000 (exclusive of Ohio), \$8,181,000 and \$8,206,000 in 1993, 1992 and 1991, respectively.

Local Revenues

Local service revenues are derived from the provision of

local exchange telephone services in the Company's franchised service areas. During 1993 local service revenues increased \$2,219,000 and \$5,252,000 due to San Marcos and Ohio, respectively. During 1992 such revenues increased \$15,670,000 due to the 1992 Acquisitions. Internal access line growth during 1993, 1992 and 1991 was 3.6%, 3.8% and 3.2%, respectively.

Network Access and Long Distance Revenues

Network access and long distance revenues increased \$34,344,000 (18.8%) in 1993 and \$37,432,000 (25.8%) in 1992 due to the following factors:

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	1993	1992
=====		
(expressed in thousands)		
San Marcos acquisition	\$ 11,279	-
1992 Acquisitions	8,458	13,687
Partial recovery of increased operating expenses through revenue pools in which the Company participates with other telephone companies and return on rate base	7,326	9,931
Increased recovery as a result of additional investment and phase-in of the Federal Communications Commission ("FCC") mandated Universal Service Fund	6,161	7,040
Increased minutes of use	3,444	3,607
Other	(2,324)	3,167
	\$ 34,344	37,432
=====		

Network access and long distance revenues primarily relate to services provided to interexchange carriers (long distance carriers) in connection with the completion of long distance telephone calls. Substantially all of the Company's interstate network access revenues are received through pooling arrangements administered by the National Exchange Carrier Association ("NECA") based on cost separations studies and average schedule settlement agreements. The NECA receives access charges billed by the Company and other participating local exchange carriers to interstate long distance carriers for their use of the local exchange network to complete long distance calls. These charges to the long distance carriers are based on tariffed access rates filed with the FCC by the NECA on behalf of the Company and other

participating local exchange telephone companies. Long distance and intrastate network access revenues are based on access rates, cost separations studies or special settlement arrangements with intrastate long distance carriers.

In December 1993 the eight-year phase-in of the FCC Universal Service Fund ("USF") was completed. Revenues from the USF increased approximately \$6,161,000 during 1993, of which approximately \$3,200,000 was the effect of the phase-in. Revenues were unfavorably impacted in the amount of \$1,000,000 during 1993 by reductions (which will aggregate

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approximately \$3,500,000 annually upon final phase-in 1994) in the level of certain settlements received from South Central Bell by the Company's Louisiana subsidiaries.

Other Revenues

Other revenues include revenues related to nonregulated telecommunications equipment and services, billing and collection services for interexchange long distance carriers, network facilities leases and directories. The increases in other revenues during 1993 and 1992 were primarily due to the 1992 Acquisitions and, during 1993, to San Marcos.

Expenses

Plant operations expenses during 1993 and 1992 increased \$13,700,000 (20.5%) and \$14,332,000 (27.3%), respectively. Approximately \$3,650,000 and \$3,455,000 of the 1993 increase were due to San Marcos and Ohio, respectively. Increases in salaries, wages and benefits during 1993 accounted for approximately \$2,192,000. The remainder of the 1993 increase was due to increases in other general operating expenses. Approximately \$10,269,000 and \$1,105,000 of the 1992 increase were due to the 1992 Acquisitions and the SFAS 106 postretirement benefit costs, respectively. The remainder of the 1992 increase was due to increases in salaries and wages and other general operating expenses.

Customer operations, corporate expenses and other expenses increased \$14,797,000 (20.3%) in 1993 and \$14,304,000 (24.4%) in 1992. The operations of San Marcos and Ohio contributed \$6,467,000 and \$4,532,000, respectively, to the 1993 increase. The 1992 Acquisitions and the SFAS 106 postretirement benefit costs accounted for approximately \$11,186,000 and \$806,000, respectively, of the 1992 increase. The remainder of the 1993 and 1992 increases included increased operating costs, such as salaries and wages, employee benefits, insurance and operating taxes.

Depreciation and amortization increased \$11,248,000 (20.9%) and \$9,445,000 (21.2%) in 1993 and 1992, respectively. Approximately \$5,447,000 of the 1993 increase was due to San Marcos and Ohio. The 1992 Acquisitions accounted for \$6,939,000 of the 1992 increase. Depreciation expense included one-time depreciation charges in certain jurisdictions which aggregated \$3,336,000 in 1993 (exclusive of San Marcos), \$2,938,000 in 1992 (exclusive of the 1992 Acquisitions) and \$1,784,000 in 1991. In addition, the Company obtained higher depreciation rates for certain subsidiaries during the last three years. The first-year effects of the

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higher rates were approximately \$1,650,000 in 1993 (exclusive of San Marcos), \$700,000 in 1992 (exclusive of the 1992 Acquisitions) and \$3,100,000 in 1991. The remaining increases in depreciation and amortization are due to higher levels of plant in service. The composite depreciation rate for telephone properties, including the one-time additional depreciation, was 7.1%, 6.6% and 6.7% for 1993, 1992 and 1991, respectively.

See Other Matters for additional information.

MOBILE COMMUNICATIONS OPERATIONS

	1993	1992	1991
=====			
	(expressed in thousands)		
Revenues			
Cellular			
Service	\$ 76,583	54,489	38,923

Equipment	3,930	3,194	2,592
Paging	4,199	4,409	5,216
	84,712	62,092	46,731
<hr/>			
Expenses			
General, administrative and customer service	23,872	19,685	18,144
Sales and marketing	19,894	13,167	13,403
Cost of sales and other operating expenses	19,681	14,313	12,378
Depreciation and amortization	11,359	8,971	7,758
	74,806	56,136	51,683
<hr/>			
Operating income (loss)	\$ 9,906	5,956	(4,952)
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Revenues

Revenues from cellular operations during 1993 increased to \$80,513,000 from \$57,683,000 in 1992 and \$41,515,000 in 1991. Service revenues include monthly service fees for providing access and airtime to customers, service fees for providing airtime to users roaming through the Company's service areas and toll revenue.

Service revenues increased \$22,094,000 (40.5%) in 1993 and \$15,566,000 (40.0%) in 1992. Increases in access and usage revenues, exclusive of Alexandria, accounted for \$14,585,000 of the 1993 increase in service revenues, compared to \$12,871,000 during 1992. The increases in access and usage revenues in both years were primarily attributable to increases in the number of cellular customers. Roaming and toll revenues increased \$4,120,000 in 1993, exclusive of Alexandria, after increasing \$2,281,000 during 1992. The remainder of the 1993 increase in cellular revenues was due substantially to the Alexandria acquisition.

Cellular units in service increased to 116,484 as of December 31, 1993 from 73,084 as of December 31, 1992 (which included the December 1992 acquisition of Alexandria) and 51,083 at December 31, 1991.

The average monthly service revenue per subscriber declined to \$71 in 1993 from \$75 in 1992 and 1991, primarily due to the trend that a higher percentage of new subscribers tend to be

lower usage customers. The decline in average monthly service revenue per subscriber was also affected by the growth rate of cellular units in service exceeding the growth rate of roaming revenues. The average monthly service revenue per subscriber may further decline as market penetration increases and additional lower usage customers are activated. The Company will continue to attempt to stimulate cellular usage by promoting the availability of certain enhanced services and by increasing coverage areas through the construction of additional cell sites.

Expenses

General, administrative and customer service expenses increased \$4,187,000 (21.3%) and \$1,541,000 (8.5%) during 1993 and 1992, respectively. The increases were primarily due to higher billing and other costs due to the increased number of customers and, in 1993, to Alexandria.

During 1993 mobile communications sales and marketing expenses increased \$6,727,000 (51.1%) primarily due to an increase in commissions paid to agents for selling cellular services to the large volume of new customers. The remaining increase during 1993 was primarily due to an increase in advertising costs and to Alexandria. The Company implemented a new cellular sales commission structure during 1992 which, notwithstanding an increase in agent sales, contributed to the 1.8% decrease in mobile communications sales and marketing expenses in 1992.

The increases in cost of sales and other operating expenses in 1993 and 1992 were primarily due to growth in the business, to the development and operation of the Company's Rural Service Area ("RSA") cellular systems and, in 1993, to Alexandria. Sixty-two cell sites were placed in service during 1993 (compared to 21 during 1992 and 24 during 1991) in partnerships in which the Company has a majority interest. In addition, as a result of the December 1992 acquisition of Alexandria, the Company acquired five additional cell sites. The Company operated 158 cell sites at December 31, 1993 in partnerships in which it has a majority interest.

Depreciation and amortization increased \$2,388,000 (26.6%) in 1993 and \$1,213,000 (15.6%) in 1992 primarily due to higher levels of cellular plant in service.

See Other Matters for additional information.

INTEREST EXPENSE

Interest expense increased \$2,983,000 (11.0%) during 1993 and \$4,662,000 (20.7%) during 1992. Interest expense incurred during 1993 due to an increase in average debt outstanding was substantially offset by the effect of lower average interest rates. Interest expense during 1992 increased primarily due to the issuance of \$115,000,000 of 6% convertible debentures during the first quarter of 1992. The debenture interest of approximately \$6,200,000 during 1992 was partially offset by reduced interest expense due to lower average interest rates.

EARNINGS FROM UNCONSOLIDATED CELLULAR PARTNERSHIPS

Earnings from unconsolidated cellular partnerships increased \$4,934,000 in 1993 and \$995,000 in 1992. The Company's share of income from the partnership interests acquired in the San Marcos acquisition contributed substantially to the 1993 increase.

SALES OF ASSETS

During 1993 the Company sold a minority investment in a telephone company which resulted in a pre-tax gain of \$1,661,000 (\$1,080,000 after-tax).

During 1992 the Company consummated the sales of two telephone subsidiaries which served approximately 2,000 access lines; its minority interests in an MSA cellular partnership and an RSA cellular partnership; and its 100% interest in an RSA cellular market. The sales prices totaled \$12,212,000 and the aggregate pre-tax gain was \$3,985,000 (\$2,630,000 after-tax).

Other income, net decreased \$1,123,000 (25.3%) primarily because interest income earned during 1993 was less than interest income during 1992.

INCOME TAX EXPENSE

The effective income tax rate was 35.1%, 35.2% and 34.9% in 1993, 1992 and 1991, respectively. The additional federal income taxes incurred during 1993 as a result of the 1% increase in the statutory federal income tax rate in accordance with the provisions of the Omnibus Budget Reconciliation Act of 1993 (the "Act") was more than offset by the tax benefit applicable to the deductibility of certain intangible assets also provided by the Act.

CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES

The Company adopted SFAS 106 as of January 1, 1992. SFAS 106 requires that the expected cost of providing postretirement health care and life insurance benefits be accrued during the years an employee renders service to the Company. During 1991 the Company had recognized \$1,475,000 of postretirement benefits on the pay-as-you-go basis. The unrecognized obligation existing at the date of initial application of SFAS 106 (the "Transition Obligation") was \$27,390,000. In accordance with the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation," the Company deferred approximately \$3,450,000 of the Transition Obligation; such costs are being expensed in connection with recovery through the rate-making process. The remaining \$23,940,000, net of tax benefits which aggregated \$9,185,000, was reported as the cumulative effect of a change in accounting principle and reduced 1992 fully diluted earnings per share by \$.30. The accrual of postretirement benefits during 1992, net of the related toll revenue and 1992 pay-as-you-go costs, decreased income before income taxes and cumulative effect of changes in accounting principles for 1992 by \$2,023,000.

The Company also adopted SFAS 109 as of January 1, 1992, under which the accounting for income taxes is based on an asset and liability approach rather than the deferred method. The cumulative effect of the change in accounting principle related to SFAS 109 decreased net income for 1992 by \$913,000 (\$.01 per fully diluted share). In accordance with the provisions of SFAS 71, the Company established a regulatory liability of approximately \$47,000,000 relative to the excess deferred income taxes and the regulatory impact thereof.

INFLATION

The effects of increased costs are mitigated by the ability to recover costs applicable to the Company's regulated telephone operations through the rate-making process. As operating

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expenses increase in the nonregulated areas, the Company, to the extent permitted by competition, recovers the costs by increasing prices for its services and equipment.

While the regulatory process does not consider replacement cost of physical plant, the Company has historically been able to earn a return on any increased cost of its net investment when facilities are replaced. Possible future regulatory changes may alter the Company's ability to recover increased costs in its regulated operations.

LIQUIDITY AND CAPITAL RESOURCES

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

Net cash provided by operating activities was \$166,754,000, \$146,324,000 and \$92,884,000 in 1993, 1992 and 1991,

respectively. For additional information relative to the telephone operations and mobile communications operations of the Company, see Results of Operations.

Although payments for property, plant and equipment during 1993 increased by \$64,172,000, net cash used in investing activities during 1993 was approximately the same as 1992 primarily because the amount of cash used in acquisitions during 1993 was approximately \$80,083,000 less than in the previous year. Net cash used in investing activities increased \$147,910,000 in 1992, primarily due to the 1992 Acquisitions and to an increase of \$44,335,000 in payments for property, plant and equipment.

Cash provided by financing activities in 1993 was \$23,247,000 less than in 1992 primarily because net borrowings, including long-term debt and notes payable, were \$20,582,000 less than in 1992. The \$36,785,000 increase in notes payable outstanding at December 31, 1993 compared to December 31, 1992 reflects the Company's utilization of borrowings under its short-term credit facilities to take advantage of declining short-term interest rates during 1993. The Company intends to eventually refinance such short-term borrowings with long-term debt. Proceeds from the issuance of debt during 1992 (\$100,655,000 more than during 1991) included

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\$115,000,000 from the issuance of 6% convertible debentures in February 1992 to provide the major portion of the purchase price of Ohio.

In October 1993 the Company executed a merger agreement with Celutel, Inc., under which Century acquired Celutel for approximately \$102,000,000 during the first quarter of 1994. Approximately \$51,400,000 of the purchase price was paid in cash, with the remainder being paid through the issuance of 1,900,000 shares of Century common stock. In connection with the acquisition, Century refinanced approximately \$41,700,000 of Celutel's debt. Century funded the cash portion of the merger consideration and the debt prepayment from proceeds received from

a committed bridge term loan. It is currently anticipated that the bridge term loan will be repaid prior to September 30, 1994 with proceeds from the issuance of long-term debt, the terms and conditions of which have not yet been determined. Based on a review of its financing alternatives, Century does not anticipate any problems in obtaining such financing.

Budgeted capital expenditures for 1994 total \$142,000,000 for telephone operations, \$50,000,000 for mobile communications operations (of which \$10,000,000 will be funded by minority interest owners in cellular partnerships operated by the Company) and \$4,000,000 for other operations.

As of December 31, 1993, Century's telephone subsidiaries had available for use \$84,000,000 of commitments for long-term financing from the Rural Electrification Administration ("REA") and the Company had \$23,600,000 of undrawn committed bank lines of credit. In addition, approximately \$7,000,000 of uncommitted credit facilities were available to the Company at December 31, 1993. Applications for additional long-term financing for Century's telephone subsidiaries have been filed with the REA and are in various stages of processing. The Company has experienced no significant problems in obtaining funds for capital expenditures or other purposes.

Stockholders' equity as a percentage of total capitalization was 48.5% and 47.0% at December 31, 1993 and 1992, respectively.

ACCOUNTING PRONOUNCEMENT

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 112 ("SFAS 112"), "Employers' Accounting for Postemployment Benefits," in November 1992. SFAS 112 requires the adoption of accrual accounting for

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workers compensation, disability and other benefits provided after employment but before retirement by requiring accrual of the expected cost when it is probable that a benefit obligation has been incurred and the amount can be reasonably estimated.

The Company will be required to adopt SFAS 112 in the first quarter of 1994. Liabilities for postemployment benefits included in the consolidated balance sheet as of December 31, 1993 are not materially different than those required by SFAS 112.

OTHER MATTERS

In December 1993 the eight-year phase-in of the USF was completed. Revenues from the USF increased approximately \$6,161,000 during 1993, of which approximately \$3,200,000 reflected the effect of the phase-in. The Company anticipates that, subsequent to 1993, revenues from the USF will continue to increase in the near term, but at a lesser percentage rate than that associated with recent prior periods. In addition, the Public Service Commission of Wisconsin ("PSCW") has ordered that the existing Wisconsin state support fund, from which certain of the Company's subsidiaries received approximately \$3,575,000 during 1993 and \$3,755,000 during 1992, will be phased-out over one and one-half years beginning July 1, 1993. Certain of the Company's subsidiaries affected by the order have filed requests with the PSCW to receive increased rates and/or compensation which could potentially offset some or all of the amounts that those subsidiaries have been receiving from the existing support fund. All such additional revenue must be justified based on each subsidiary's financial need as demonstrated by an expedited rate case. The Wisconsin State Telephone Association has, among other things, appealed the PSCW's planned phase-out of the support fund. Also, the Louisiana Public Service Commission ("LPSC") is conducting an informal review of the earnings of all independent local exchange telephone companies in Louisiana. It is possible that reviews by state regulatory authorities, such as the informal review being conducted by the LPSC, may result in refunds and/or future reductions in revenues.

Revenues are being impacted by reductions (which will aggregate approximately \$3,500,000 annually upon completion in the second quarter of 1994 of a one-year phase-in period) in the level of certain settlements received from South Central Bell by the Company's Louisiana subsidiaries. For information on the effect of these reductions on the Company's 1993 operations, see

The telecommunications industry is currently undergoing various regulatory, competitive and technological changes, including the following. First, the FCC and a limited number of state

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public utility commissions have begun to reduce the regulatory oversight of the earnings and return rates of local exchange carriers ("LEC's"). 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 LEC's services and the announcement by certain well-established interexchange carriers of their desire to enter the LEC business. Second, 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, including personal communications services (for which the FCC intends to begin auctioning operating licenses in 1994) and mobile satellite services. The FCC has also authorized certain specialized mobile radio service licensees to configure their systems so as to operate in a manner similar to cellular systems, and certain of these licensees recently announced their intention to create a nationwide mobile communications system to compete with cellular systems. Third, 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. Local exchange competition and competitive access are expected to initially affect large urban areas to a greater extent than rural, suburban and small urban areas such as those in which the Company's telephone operations are located. The same expectation holds true for emerging competitive wireless

technologies and the development of new multimedia services. Therefore, the Company does not believe these developments are likely to materially affect it in the near term. The Company further believes that it may benefit from having the opportunity to observe the effects of these developments in large urban markets in the near term, thereby better preparing it for competition. The Company will continue to monitor the ongoing changes in regulation, competition and technology and consider which developments provide the most favorable opportunities for the Company to pursue.

The Company has certain obligations based on federal, state and local laws relating to the protection of the environment. Costs of compliance through 1993 have not been material and the Company currently has no reason to believe that such costs will become material.

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Item 8. Financial Statements and Supplementary Data.

Report of Management

To the Shareholders of
Century Telephone Enterprises, Inc.:

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

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

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

The Audit Committee of the Board of Directors is composed of

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

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

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Independent Auditors' Report

The Board of Directors
Century Telephone Enterprises, Inc.:

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

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Century Telephone Enterprises, Inc. and subsidiaries as of December 31, 1993 and 1992, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 1993, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

As discussed in notes 4 and 8 to the consolidated financial statements, the Company adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," and Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," in 1992.

KPMG PEAT MARWICK

Shreveport, Louisiana
February 4, 1994

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CENTURY TELEPHONE ENTERPRISES, INC.
Consolidated Statements of Income

Year ended December 31,

	1993	1992	1991
	(expressed in thousands, except per share amounts)		
REVENUES			
Telephone	\$348,485	297,510	235,796
Mobile Communications			
Cellular	80,513	57,683	41,515
Paging	4,199	4,409	5,216
Total revenues	433,197	359,602	282,527
EXPENSES			
Cost of sales and operating expenses	231,855	187,076	155,200
Depreciation and amortization	76,534	62,898	52,240
Total expenses	308,389	249,974	207,440
OPERATING INCOME	124,808	109,628	75,087
OTHER INCOME (EXPENSE)			
Interest expense	(30,149)	(27,166)	(22,504)
Earnings from unconsolidated cellular partnerships	6,626	1,692	697
Gain on sales of assets	1,661	3,985	-
Other income, net	3,310	4,433	4,209
Total other income (expense)	(18,552)	(17,056)	(17,598)
INCOME BEFORE INCOME TAXES AND CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	106,256	92,572	57,489
INCOME TAXES	37,252	32,599	20,070
INCOME BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	69,004	59,973	37,419
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	-	(15,668)	-
NET INCOME	\$69,004	44,305	37,419
PRIMARY EARNINGS PER SHARE :			
Income before cumulative effect of changes in accounting principles	\$ 1.35	1.23	.79
Cumulative effect of changes in accounting principles	-	(.32)	-
PRIMARY EARNINGS PER SHARE	\$ 1.35	.91	.79
FULLY DILUTED EARNINGS PER SHARE :			
Income before cumulative effect of changes in accounting principles	\$ 1.32	1.22	.79
Cumulative effect of changes in accounting principles	-	(.31)	-
FULLY DILUTED EARNINGS PER SHARE	\$ 1.32	.91	.79
DIVIDENDS PER COMMON SHARE	\$.310	.293	.287

See accompanying notes to consolidated financial statements.

December 31,

1993 1992

(expressed in thousands)

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 9,777	9,771
Accounts receivable		
Customers, less allowance for doubtful accounts of \$1,473,000 and \$960,000	34,438	28,436
Other	21,771	14,111
Materials and supplies, at cost	4,418	4,512
Other	2,068	3,226
<hr/>		
Total current assets	72,472	60,056

PROPERTY, PLANT AND EQUIPMENT

Telephone, at original cost	979,449	871,383
Accumulated depreciation	(288,479)	(280,242)
<hr/>		
	690,970	591,141
<hr/>		
Mobile Communications, at cost	113,252	71,926
Accumulated depreciation	(27,736)	(27,613)
<hr/>		
	85,516	44,313
<hr/>		
Other, at cost	77,737	61,110
Accumulated depreciation	(26,447)	(20,686)
<hr/>		
	51,290	40,424
<hr/>		
Net property, plant and equipment	827,776	675,878

INVESTMENTS AND OTHER ASSETS

Excess cost of net assets acquired, less accumulated amortization of \$29,253,000 and \$21,975,000	297,158	217,688
Other investments	98,142	67,478
Deferred charges	23,842	19,387
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Total investments and other assets	419,142	304,553

TOTAL ASSETS	\$1,319,390	1,040,487
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See accompanying notes to consolidated financial statements.

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CENTURY TELEPHONE ENTERPRISES, INC.
Consolidated Balance Sheets
(continued)

December 31,

=====	1993	1992	=====
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(expressed in thousands)

LIABILITIES AND EQUITY

CURRENT LIABILITIES

Current maturities of long-term debt	\$ 14,233	9,709
Notes payable to banks	69,200	32,415
Accounts payable	49,506	34,605
Accrued expenses and other current liabilities		
Taxes	9,327	10,343
Interest	6,476	6,412
Other	21,152	17,012
Advance billings and customer deposits	9,312	10,169
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Total current liabilities	179,206	120,665

LONG-TERM DEBT	460,933	391,944
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DEFERRED CREDITS AND OTHER LIABILITIES

Deferred income taxes	60,122	39,064
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Deferred investment tax credits	10,431	11,833
Other	94,930	91,532
<hr/>		
Total deferred credits and other liabilities	165,483	142,429
<hr/>		
STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 100,000,000 shares, issued and outstanding 51,294,705 and 48,896,876 shares	51,295	48,897
Paid-in capital	262,294	191,522
Retained earnings	208,945	155,676
Employee Stock Ownership Plan commitment	(9,220)	(11,100)
Preferred stock - non-redeemable	454	454
<hr/>		
Total stockholders' equity	513,768	385,449
<hr/>		
TOTAL LIABILITIES AND EQUITY	\$1,319,390	1,040,487
=====		

See accompanying notes to consolidated financial statements.

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CENTURY TELEPHONE ENTERPRISES, INC.
Consolidated Statements of Cash Flows

	Year ended December 31,		
	1993	1992	1991
	=====		
	(expressed in thousands)		
OPERATING ACTIVITIES			
Net income	\$69,004	44,305	37,419
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	86,175	70,762	57,306
Cumulative effect of changes in accounting principles	-	15,668	-
Equity in income of cellular partnerships	(7,592)	(2,087)	(984)
Deferred income taxes	6,781	(1,427)	(335)
Gain on sales of assets	(1,661)	(3,985)	-
Changes in current assets and current liabilities:			
Increase in accounts receivable	(7,026)	(2,307)	(6,440)
Increase in accounts payable	11,024	11,694	4,581
Decrease in other current assets and other current liabilities, net	659	10,549	32
Other, net	9,390	3,152	1,305
<hr/>			
Net cash provided by operating activities	166,754	146,324	92,884
<hr/>			
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired	(54,916)	(134,999)	(4,600)
Payments for property, plant and equipment	(204,229)	(140,057)	(95,722)
Investments in unconsolidated cellular partnerships	(3,605)	(2,161)	(9,098)
Proceeds from sales of assets	-	5,049	-
Purchase of life insurance investment	(7,670)	(6,160)	(6,080)
Other, net	3,948	7,166	(7,752)
<hr/>			
Net cash used in investing activities	(266,472)	(271,162)	(123,252)
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FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	82,347	157,087	56,432
Payments of long-term debt	(9,764)	(44,552)	(48,685)
Notes payable, net	36,785	17,415	6,000
Proceeds from issuance of common stock	3,529	8,776	6,388
Cash dividends paid	(15,735)	(14,119)	(13,388)

Other, net	2,562	(1,636)	2,668
Net cash provided by financing activities	99,724	122,971	9,415
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6	(1,867)	(20,953)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,771	11,638	32,591
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$9,777	9,771	11,638

See accompanying notes to consolidated financial statements.

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

<TABLE>
<CAPTION>

Common Shares Outstanding		Total Stockholders' Equity	Common Stock	Paid-in Capital	Retained Earnings	ESOP Commitment	Preferred Stock Non-redeemable
(expressed in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
30,834,335	BALANCES, DECEMBER 31, 1990	\$280,915	30,834	163,028	101,459	(14,860)	454
-	Net income	37,419	-	-	37,419	-	-
	Issuance of common stock through dividend reinvestment, stock purchase, 401K and incentive plans	6,388	332	6,056	-	-	-
332,190							
	Issuance of common stock for acquisitions	5,356	199	5,157	-	-	-
198,347							
	Amortization of unearned compensation and other	1,407	-	1,407	-	-	-
-	Reduction of ESOP commitment	1,880	-	-	-	1,880	-
-	Common stock dividends - \$.287 per share	(13,356)	-	-	(13,356)	-	-
-	Preferred stock dividends	(32)	-	-	(32)	-	-
31,364,872	BALANCES, DECEMBER 31, 1991	319,977	31,365	175,648	125,490	(12,980)	454
-	Net income	44,305	-	-	44,305	-	-
	Issuance of common stock through dividend reinvestment, stock purchase, 401K and incentive plans	8,777	490	8,287	-	-	-
490,275							
	Issuance of common stock for acquisitions	21,475	978	20,497	-	-	-
978,115							
	Amortization of unearned compensation and other	3,154	-	3,154	-	-	-
16,063,614	Three-for-two stock split	-	16,064	(16,064)	-	-	-
-	Reduction of ESOP commitment	1,880	-	-	-	1,880	-
-	Common stock dividends - \$.293 per share	(14,087)	-	-	(14,087)	-	-
-	Preferred stock dividends	(32)	-	-	(32)	-	-
48,896,876	BALANCES, DECEMBER 31, 1992	385,449	48,897	191,522	155,676	(11,100)	454
-	Net income	69,004	-	-	69,004	-	-
	Issuance of common stock through dividend reinvestment, stock purchase, 401K and incentive plans	3,529	215	3,314	-	-	-
214,954							
	Issuance of common stock for acquisitions	68,172	2,183	65,989	-	-	-
2,182,875							
	Amortization of unearned compensation and other	1,469	-	1,469	-	-	-
-	Reduction of ESOP commitment	1,880	-	-	-	1,880	-
-	Common stock dividends - \$.310 per share	(15,703)	-	-	(15,703)	-	-
-	Preferred stock dividends	(32)	-	-	(32)	-	-

See accompanying notes to consolidated financial statements.
</TABLE>

CENTURY TELEPHONE ENTERPRISES, INC.

Notes to Consolidated Financial Statements

December 31, 1993

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation - The consolidated financial statements of Century Telephone Enterprises, Inc. and subsidiaries (the "Company") include the accounts of Century Telephone Enterprises, Inc. ("Century") and its majority-owned subsidiaries and cellular partnerships. The Company's regulated operations are subject to the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation." Unaffiliated parties' interests in cellular partnerships which have been consolidated are included in other liabilities at December 31, 1993 and 1992 in the amounts of \$10,494,000 and \$6,530,000, respectively.

Investments in cellular partnerships where the Company does not have a majority partnership interest are accounted for using the equity method of accounting. The Company's share of income from these partnerships was \$7,592,000, \$2,087,000 and \$984,000 in 1993, 1992 and 1991, respectively, and is included in earnings from unconsolidated cellular partnerships.

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

based upon settlements of prior years' revenues for certain subsidiaries, which increased revenues by \$9,152,000, \$8,181,000 and \$8,206,000 in 1993, 1992 and 1991, respectively.

Excess Cost of Net Assets Acquired - The excess cost over net assets acquired of substantially all acquisitions accounted for as purchases (goodwill) is being amortized over 40 years. Amortization of \$6,215,000, \$4,955,000 and \$2,886,000 for 1993, 1992 and 1991, respectively, is included in depreciation and amortization. Amortization of goodwill attributable to

unconsolidated investments in cellular partnerships was \$966,000, \$395,000 and \$287,000 for 1993, 1992 and 1991, respectively, and is included as a reduction in earnings from unconsolidated cellular partnerships. The carrying value of goodwill is reviewed for impairment whenever events or changes in circumstances indicate that such carrying value may not be recoverable by assessing the recoverability of such carrying value through projected undiscounted future results.

Other Investments - The Company's other investments consist of the following:

December 31,	1993	1992
(expressed in thousands)		
Cash surrender value of life insurance, partially pledged	\$ 38,642	30,446
Investments in unconsolidated cellular partnerships	41,983	23,895
Investments in marketable equity securities, at cost	8,478	7,008
Other	9,039	6,129
	\$ 98,142	67,478

Affiliated Transactions - Certain service subsidiaries of Century provide installation and maintenance services, materials and supplies, and managerial, technical and accounting services to subsidiaries. In addition, Century provides and bills management services to all subsidiaries and in certain instances makes interest-bearing advances to finance construction of plant and purchases of equipment. These purchases are recorded in the telephone subsidiaries' accounts at their cost to the extent permitted by regulatory authorities. Intercompany profits on service subsidiaries' sales to regulated affiliates are limited

to a reasonable return on investment and have not been eliminated. Intercompany profits on service subsidiaries' sales to nonregulated affiliates have been eliminated.

Property, Plant and Equipment - Telephone plant is stated substantially at original cost of construction.

Normal retirements of telephone property are charged against accumulated depreciation, along with the costs of removal less salvage, with no gain or loss recognized. Renewals and betterments of plant and equipment are capitalized while repairs, as well as renewals of minor items, are charged to operating expense.

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Depreciation of telephone properties is provided on the straight-line method, using class or overall composite rates acceptable to the regulatory authorities. Included in 1993, 1992 and 1991 depreciation expense were additional one-time depreciation charges of \$3,621,000, \$3,854,000 and \$1,784,000, respectively. The composite depreciation rate for telephone properties was 7.1%, 6.6% and 6.7% for 1993, 1992 and 1991, respectively.

When non-telephone property is sold or retired, a gain or loss is recognized. Depreciation is provided on the straight-line method over estimated service lives ranging from three to thirty years.

Depreciation expense was \$77,999,000, \$64,340,000 and \$53,197,000 in 1993, 1992 and 1991, respectively.

Income Taxes - Century files a consolidated federal income tax return with its subsidiaries.

In February 1992 the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting For Income Taxes." SFAS 109 requires the use of a method under which deferred tax assets and liabilities are established for the future tax consequences

attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases.

Effective January 1, 1992, the Company adopted SFAS 109 and reported an unfavorable \$913,000 cumulative effect of the change in the method of accounting for income taxes in the 1992 consolidated statement of income. Due to the reduction in corporate federal income tax rates as a result of the Tax Reform Act of 1986, there existed excess deferred income taxes. Pursuant to SFAS 71, a regulatory liability in the amount of approximately \$47,000,000 and a corresponding reduction in net deferred income taxes payable were recorded in 1992 relative to the excess deferred income taxes and the regulatory impact thereof. The regulatory liability, net of the related tax impact (approximately \$20,300,000 at adoption), is being amortized as a reduction of federal income tax expense over the estimated remaining lives of the assets which generated the deferred taxes.

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Investment tax credits related to telephone plant have been deferred and amortized as a reduction of federal income tax expense over the estimated useful lives of the assets giving rise to the credits. In accordance with SFAS 109, unamortized deferred investment tax credits are treated as temporary differences.

Earnings Per Share - Primary earnings per share amounts are determined on the basis of the weighted average number of common shares and common stock equivalents outstanding during the year. The number of shares used in computing primary earnings per share was 51,206,000 in 1993, 48,500,000 in 1992 and 47,305,000 in 1991.

Fully diluted earnings per share amounts give further effect to convertible securities, primarily the debentures, which are not common stock equivalents. The number of shares used in computing fully diluted earnings per share before the cumulative effect of changes in accounting principles was 55,892,000 in 1993, 52,814,000 in 1992 and 47,432,000 in 1991. For the

computation of fully diluted earnings per share for 1992, the debentures have been excluded as their inclusion would be anti-dilutive. The number of shares used in computing fully diluted earnings per share was 55,892,000, 48,653,000 and 47,432,000 in 1993, 1992 and 1991, respectively.

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

Reclassifications - Certain amounts previously reported for prior years have been reclassified to conform with the 1993 presentation.

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(2) LONG-TERM DEBT

December 31,	1993	1992
=====		
(expressed in thousands)		
Century		
6.0% convertible debentures, due 2007	\$115,000	115,000
9.8% senior notes	-	4,813
9.4% senior notes, due in installments through 2004	69,600	71,200
10.8% notes, due in installments through 2006	1,245	1,529
Notes payable to banks (at money market rates - 3.9%)	81,500	30,000
8.4% Employee Stock Ownership Plan commitment, due in installments through 2000	9,220	11,100
Total Century	276,565	233,642
Subsidiaries		
First mortgage debt		
5.9% notes, payable to agencies of the United States government and cooperative lending associations, due in installments through 2026	158,998	126,670
7.2% bonds, due in installments through 2002	11,699	14,505
Other debt		
9.0% notes, due in installments through 2020	8,633	8,334
7.6% capital lease obligations, due in installments through 1997	4,271	3,502
Notes payable to bank (at money market rates - 4.1%), due 1995	15,000	15,000
Total subsidiaries	198,601	168,011
Total long-term debt	475,166	401,653
Less current maturities	14,233	9,709
Long-term debt, excluding current maturities	\$460,933	391,944
=====		

Except for the 6% convertible debentures, each interest rate shown in the preceding table is a weighted average interest rate as of December 31, 1993.

The approximate annual debt maturities (including sinking fund requirements) for the five years subsequent to December 31, 1993 are as follows: 1994 - \$14,233,000; 1995 - \$77,757,000; 1996 - \$45,611,000; 1997 - \$17,182,000; and 1998 - \$16,077,000.

In February 1992 Century issued \$115,000,000 of 6% convertible debentures. Interest is payable semiannually in August and February. The debentures are convertible into common stock at a conversion price of \$25.33 per share and will mature on February 1, 2007 unless previously converted or redeemed. The debentures may be redeemed by Century on or after February 1, 1995. Certain redemptions through a sinking fund are required from 2002 through 2006. Under certain circumstances the debentures are redeemable at the option of the holder. See note 12 for information applicable to the use of the proceeds.

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The Company's loan agreements contain various restrictions, among which are limitations regarding issuance of additional debt, payment of cash dividends on common and preferred stock, reacquisition of the Company's capital stock and other matters. All of the Company's year-end consolidated retained earnings was available for the payment of cash dividends to stockholders.

The transfer of funds from consolidated subsidiaries to Century is also restricted by various loan agreements. Subsidiaries which have loans from government agencies and cooperative lending associations, or have issued first mortgage bonds, generally may not loan or advance any funds to Century, but may pay dividends if certain financial ratios are met. Loan agreements of subsidiaries with other major lenders provide restrictions as to the payment of dividends, but do not formally limit loans and advances to Century. At December 31, 1993, restricted net assets of subsidiaries were \$126,528,000 and subsidiaries' retained earnings in excess of amounts restricted by debt covenants were \$286,340,000.

Substantially all of the telephone property, plant and equipment is pledged to secure the long-term debt of

subsidiaries.

At December 31, 1993, Century had outstanding \$30,500,000 under a \$50,000,000 line of credit (two-year revolver, convertible to a five-year term loan) with interest at the rate chosen by the Company based on a number of interest rate options. In addition, Century had \$51,000,000 outstanding under a \$55,000,000 line of credit (three-year revolving credit facility) with similar interest rate options.

Century's telephone subsidiaries had approximately \$84,000,000 in commitments for long-term financing from the Rural Electrification Administration available at December 31, 1993. In addition to the \$23,500,000 available under the two lines of credit mentioned above, approximately \$7,100,000 of additional borrowings, some of which would be classified as current liabilities, were available at December 31, 1993 to the Company through lines of credit with various banks.

Interest paid by the Company was \$30,085,000, \$24,035,000 and \$23,407,000 during 1993, 1992 and 1991, respectively. Interest capitalized by the Company during 1993, 1992 and 1991 was \$76,000, \$547,000 and \$91,000, respectively.

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ESOP Commitment - The Employee Stock Ownership Plan ("ESOP") is partially funded by loans guaranteed by Century. Each loan is to be repaid over a 10-year period with level principal payments throughout its term. The weighted average interest rate of the loans is 8.4% per annum. The unpaid balances of the loans are included in long-term debt. An equivalent amount, representing unearned employee compensation, is reflected as a deduction in stockholders' equity. Both the debt and the amount in stockholders' equity are reduced in equal amounts as the ESOP repays the loans.

(3) STOCKHOLDERS' EQUITY

Common Stock - At December 31, 1993, unissued shares of Century's common stock were reserved as follows:

Conversion of convertible debentures	4,540,000
Stock option plans	2,958,000
Employee stock purchase plan	506,000
Dividend reinvestment plan	409,000
Conversion of convertible preferred stock	122,000
Other employee benefit plans	1,243,000

9,778,000

As amended in 1991, Article III of Century's Articles of Incorporation eliminates prospectively the ability of holders to qualify for ten votes per share by providing that only voting shares beneficially owned continuously by the same person since May 30, 1987 will entitle the holder thereof to ten votes per share. All other shares are entitled to one vote per share.

Preferred Stock - As of December 31, 1993, Century had authorized 2,000,000 shares of preferred stock, redeemable or non-redeemable. All outstanding non-redeemable preferred stock has a liquidation price equivalent to its par value of \$25 per share and is cumulative as to dividends; each series has voting rights. At December 31, 1993 and 1992, there were 18,162 total shares of non-redeemable preferred stock outstanding that were convertible to a total of approximately 122,000 common shares.

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Stock Split - In November 1992 Century's Board of Directors declared a three-for-two common stock split effected as a 50% stock dividend in December 1992. Per share data for periods prior to December 1992 which are included in this report have been restated to reflect this stock split. An amount equal to the par value of the additional common shares issued pursuant to the stock split was reflected as a transfer from paid-in-capital to common stock on the consolidated financial statements in 1992.

Shareholders' Rights Plan - In 1986 the Board of Directors declared a dividend of one preferred stock purchase right for each common share outstanding or that shall become outstanding prior to November 26, 1996. With certain exceptions, if a person or group acquires ownership of 15% or more of Century's common shares or commences a tender or exchange offer which upon consummation would result in ownership of 30% or more of the common shares, each right held by shareholders, other than such person or group, may be exercised to buy at the then-current

exercise price of the right (currently \$85) the number of shares of Series AA Junior Participating Preferred Stock of Century having a market value equal to two times the exercise price. The rights, which do not have voting rights, expire on November 27, 1996 and may be redeemed by Century at a price of \$.05 per right at any time before they become exercisable. If, at any time the rights are exercisable, Century is a party to a merger, reverse merger or other business combination or certain other transactions occur, each right will entitle its holder to purchase at the exercise price of the right a number of shares of common stock of the surviving company having a market value of two times the exercise price of the right. At December 31, 1993, 519,000 shares of Series AA Junior Participating Preferred Stock were reserved for issuance under the Rights Plan.

(4) INCOME TAXES

As discussed in note 1, the Company adopted SFAS 109 as of January 1, 1992. The cumulative effect of this change in accounting for income taxes resulted in a \$913,000 decrease in net income and was included in cumulative effect of changes in accounting principles in the consolidated statement of income for the year ended December 31, 1992.

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Total income tax expense (benefit) for the years ended December 31, 1993 and 1992 was allocated as follows:

	1993	1992
=====		
(expressed in thousands)		
Income before cumulative effect of changes in accounting principles	\$ 37,252	32,599
Cumulative effect of changes in accounting principles	-	(8,272)
<hr/>		
Net tax expense in the consolidated statement of income	37,252	24,327
Stockholders' equity, primarily for compensation expense for tax purposes in excess of amounts recognized for financial reporting purposes	(800)	(2,885)
<hr/>		
	\$ 36,452	21,442
=====		

Income tax expense attributable to income before cumulative effect of changes in accounting principles is composed of the

following:

Year ended December 31,	1993	1992	1991
(expressed in thousands)			
Federal			
Current	\$ 26,409	29,100	16,227
Deferred	6,133	(1,742)	(335)
State			
Current	4,062	4,926	4,178
Deferred	648	315	-
	\$ 37,252	32,599	20,070

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 1993 and 1992 were as follows:

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December 31,	1993	1992
(expressed in thousands)		
Deferred tax assets:		
Postretirement benefit cost	\$ 10,809	10,194
Deferred compensation	2,522	2,246
Regulatory liability	12,011	14,705
Deferred investment tax credits	3,465	3,685
Other employee benefits	3,842	2,228
Other	630	4,817
Total gross deferred tax assets	33,279	37,875
Less valuation allowance	-	-
Net deferred tax assets	33,279	37,875
Deferred tax liabilities:		
Property, plant and equipment, primarily due to depreciation differences	(84,159)	(73,598)
Deferred intercompany profits	(3,236)	(2,929)
Other	(6,006)	(412)
Total gross deferred tax liabilities	(93,401)	(76,939)
Net deferred tax liability	\$ (60,122)	(39,064)

A \$20,910,000 deferred tax asset and a valuation allowance of a like amount reported at December 31, 1992 have been netted during 1993 based on a refined purchase price allocation.

For the year ended December 31, 1991, deferred tax expense resulted from timing differences in the recognition of revenue and expense for tax and financial accounting purposes. The sources of these timing differences and the tax effects of each were as follows:

Year ended December 31,	1991
(expressed in thousands)	

(expressed
in thousands)

Excess tax depreciation over book depreciation	\$ 1,636
Employee benefits	(949)
Removal costs	552
Amortization of investment tax credits	(2,225)
Amortization of excess deferred federal income taxes	(1,147)
Other	1,798
	<hr/>
	\$ (335)

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

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Year ended December 31,	1993	1992	1991
	(expressed as a percentage of pre-tax income)		
Statutory federal income tax rate	35.0%	34.0	34.0
State income taxes, net of federal income tax benefit	2.9	3.7	4.8
Amortization of nondeductible excess cost of net assets acquired	1.2	2.0	1.7
Amortization of investment tax credits	(2.0)	(2.3)	(3.9)
Amortization of excess deferred federal income taxes	(1.8)	(2.6)	(2.0)
Other, net	(.2)	.4	.3
Effective income tax rate	35.1%	35.2	34.9

Income taxes paid by the Company were \$37,092,000, \$30,518,000 and \$19,962,000 during 1993, 1992 and 1991, respectively.

(5) STOCK OPTION AND INCENTIVE PROGRAMS

Century's 1990 Incentive Compensation Program (the "1990 Program") allows the Board of Directors, through the Compensation Committee, to grant incentives to employees in any one or a combination of the following forms: incentive stock options and non-qualified stock options; stock awards; restricted stock; performance shares; and cash awards. During 1990, 836,904 stock options were granted under the terms of the 1990 Program with an average option price of \$21.58 per share. During 1992, 960,639 stock options were granted with an option price of \$27.67 per share. Century has reserved 1,873,000 shares of common stock which may be issued under the 1990 Program.

One-seventh of the options granted in 1990 were exercisable

on the date of grant. An additional one-seventh become exercisable on each of the first six anniversary dates of the date of grant. The dates on which some or all of the last two-sevenths become exercisable are accelerated if specified average market prices of Century's common stock are attained on one or more of the first four anniversary dates of the date of grant. The options granted in 1992 became exercisable in June 1993. The options expire ten years after the date of grant.

The Company's 1988 Incentive Compensation Program (the "1988 Program") allows the Board, through the Compensation Committee, to grant incentives to employees in any one or a combination of the following forms: incentive stock options and non-qualified stock options; stock appreciation rights; stock awards; restricted stock; performance shares; and cash awards.

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Century has reserved 1,085,000 shares of common stock which may be issued under the 1988 Program. The options under the 1988 Program expire ten years after the date of grant.

Stock option transactions during 1991, 1992 and 1993 were as follows:

	Number of Options	
	1990 Program	1988 Program
Balance as of December 31, 1990	836,904	1,391,007
Exercised (average option price per share: \$8.85)	-	(239,283)
Balance as of December 31, 1991	836,904	1,151,724
Exercised (average option price per share: \$8.97)	-	(516,398)
Granted (option price per share: \$27.67)	960,639	-
Balance as of December 31, 1992	1,797,543	635,326
Exercised (average option price per share: \$20.42 and \$9.32, respectively)	(2,658)	(48,462)
Balance as of December 31, 1993	1,794,885	586,864

At December 31, 1993, 1,499,104 and 586,864 shares were issuable under exercisable options granted under the 1990 Program and the 1988 Program, respectively. Option prices range from \$8.85 to \$27.67.

(6) SALES OF ASSETS

During 1993 the Company sold a minority investment in a telephone company which resulted in a pre-tax gain of \$1,661,000 (\$1,080,000 after-tax).

During 1992 the Company sold two telephone subsidiaries which served approximately 2,000 access lines; its minority interest in a Metropolitan Statistical Area ("MSA") cellular partnership and its minority interest in a Rural Service Area ("RSA") cellular partnership; and its 100% interest in an RSA cellular market. The sales prices totaled \$12,212,000, and the transactions resulted in an aggregate pre-tax gain of \$3,985,000 (\$2,630,000 after-tax).

(7) BUSINESS SEGMENTS

The Company currently operates in two principal segments - traditional telephone services and mobile communications services.

The Company's telephone customers are located in rural, suburban and small urban communities in 14 states. Approximately 82% of the Company's telephone access lines are in

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Wisconsin, Ohio, Louisiana, Michigan and Arkansas. The Company's mobile communications customers are located primarily in Louisiana and Michigan.

Other accounts receivable are primarily amounts due from various long distance carriers, principally AT&T.

Year ended December 31,	1993	1992	1991
=====			
(expressed in thousands)			
Telephone Operations			
Revenues			
Local service	\$ 88,704	78,108	58,653
Network access, long distance and other	259,781	219,402	177,143
	<hr/>	<hr/>	<hr/>
	348,485	297,510	235,796
<hr/>			
Expenses			
Cost of sales and operating expenses	168,408	139,911	111,275
Depreciation and amortization	65,175	53,927	44,482

	233,583	193,838	155,757
Operating income	\$ 114,902	103,672	80,039
Capital expenditures	\$ 131,180	108,974	73,913
Identifiable assets	\$1,027,390	843,356	616,992
Mobile Communications Operations			
Revenues			
Cellular	\$ 80,513	57,683	41,515
Paging	4,199	4,409	5,216
	84,712	62,092	46,731
Expenses			
Cost of sales and operating expenses	63,447	47,165	43,925
Depreciation and amortization	11,359	8,971	7,758
	74,806	56,136	51,683
Operating income (loss)	\$ 9,906	5,956	(4,952)
Capital expenditures	\$ 56,092	10,904	12,702
Identifiable assets	\$240,634	148,485	116,293

The effect of the change in accounting principle related to accounting for postretirement benefits reduced 1992 operating income of the telephone operations and mobile communications operations by \$1,773,000 and \$250,000, respectively.

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(8) POSTRETIREMENT BENEFITS

The Company sponsors a defined benefit health care plan (the "Retiree Plan") that provides postretirement medical, life and dental benefits to substantially all retired full-time employees, exclusive of the bargaining unit employees of Century Telephone of Ohio, Inc. ("Ohio").

The acquisition of Ohio was consummated on April 1, 1992. The employees of Ohio who are covered under a collective bargaining agreement and who meet certain eligibility requirements are provided postretirement medical and life insurance benefits upon retirement under the provisions of a separate plan (the "Ohio Plan" and, together with the Retiree Plan, the "Benefit Plans").

The Company adopted Statement of Financial Accounting Standards No. 106 ("SFAS 106"), "Employers' Accounting for

Postretirement Benefits Other Than Pensions," as of January 1, 1992 and elected immediate recognition of the transition obligation. In accordance with the provisions of SFAS 71 the Company deferred \$3,450,000 of the \$27,390,000 transition obligation as a regulatory asset; such costs are being expensed in connection with recovery through the rate-making process. The remaining \$23,940,000, net of tax benefits which aggregated \$9,185,000, was reported as the cumulative effect of a change in accounting principles. The effects of adopting SFAS 106 on net income and on income before cumulative effect of changes in accounting principles for the year ended December 31, 1992 were decreases of \$16,009,000 and \$1,254,000, respectively. Postretirement benefit costs of approximately \$1,475,000 for the year ended December 31, 1991, which were recorded on a pay-as-you-go basis, were not restated.

Net periodic postretirement benefit cost under the Benefit Plans for 1993 and 1992 included the following components:

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Year ended December 31,	1993	1992
(expressed in thousands)		
Service cost	\$ 1,640	1,040
Interest cost	3,008	2,521
Amortization of unrecognized actuarial losses	365	-
Amortization of unrecognized prior service cost	86	-
Net periodic postretirement benefit cost	\$ 5,099	3,561

The following table sets forth the amounts recognized as liabilities for postretirement benefits in the Company's consolidated balance sheets at December 31, 1993 and 1992.

December 31,	1993	1992
(expressed in thousands)		
Accumulated postretirement benefit obligation:		
Retirees and retirees' dependents	\$ 20,451	15,796
Fully eligible active plan participants	-	537
Other active plan participants	24,980	16,991
Accumulated postretirement benefit obligation	45,431	33,324
Plan assets	-	-
Unrecognized prior service cost	(1,177)	-
Unrecognized net loss	(6,302)	-

Accrued postretirement benefit

For measurement purposes, an 8% health care cost rate was assumed for 1993 through 1996; the rate was assumed to decrease to 7% thereafter. If the assumed health care cost trend rate had been increased by one percentage point in each year, the accumulated postretirement benefit obligation as of December 31, 1993 would have increased \$5,219,000 and the net periodic postretirement benefit cost for the year ended December 31, 1993 would have increased \$756,000.

The discount rate used in determining the accumulated postretirement benefit obligation as of December 31, 1993 was 7%. The average discount rate used in 1992 was 8.85%.

(9) PENSION PLANS

Century sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement and disability benefits. In addition, the bargaining unit employees of Ohio, a wholly-owned subsidiary which was acquired April 1, 1992, are provided benefits under a defined benefit pension plan. At December 31, 1993 and 1992, the combined accumulated benefit obligation of the plans, substantially all of which was vested, aggregated \$16,321,000 and \$15,167,000, respectively. The projected benefit obligation in excess of plan assets was \$7,390,000 and \$7,229,000, of which \$3,371,000 and \$3,704,000 was accrued as of December 31, 1993 and 1992, respectively. The net periodic pension cost for 1993, 1992 and 1991 was \$1,057,000, \$930,000 and \$965,000, respectively. Discount rates ranged from 7.0% - 7.25% for 1993 and from 7.0% - 8.3.% for 1992.

Century sponsors an Employee Stock Bonus Plan ("ESBP") and an Employee Stock Ownership Plan ("ESOP"). These plans cover most employees with one year of service with the Company and are funded by Company contributions determined annually by the Board of Directors.

The Company recorded contributions related to the ESBP in

the amount of \$1,800,000, \$1,120,000 and \$540,000 during 1993, 1992 and 1991, respectively. At December 31, 1993, the ESBP owned 4,454,403 shares of Century common stock.

The ESOP held 1,882,935 common shares of Century and had outstanding debt of \$9,220,000 at December 31, 1993. Interest incurred by the ESOP on its debt was \$895,000, \$1,052,000 and \$1,205,000 in 1993, 1992 and 1991, respectively. As the Company makes annual contributions to the ESOP, these contributions, along with dividends earned on shares held by the ESOP, are used to repay the debt. The Company contributed \$2,596,000, \$2,427,000 and \$2,728,000 during 1993, 1992 and 1991, respectively, to the ESOP. Dividends on ESOP shares used for debt service by the ESOP were \$580,000, \$560,000 and \$554,000 in 1993, 1992 and 1991, respectively.

(10) FAIR VALUE OF FINANCIAL INSTRUMENTS

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Cash and Cash Equivalents, Accounts Receivable, Accounts Payable and Notes Payable to Banks - The carrying amount approximates the fair value due to the short maturity of these instruments.

Other Investments - The fair value of the Company's investments in marketable equity securities, based on quoted market prices, was \$11,444,000 and \$7,230,000 at December 31, 1993 and 1992, respectively. The carrying amount of the cash surrender value of life insurance approximates the fair value.

Long-Term Debt - The fair value (\$502,826,000 and \$399,783,000 at December 31, 1993 and 1992, respectively) of the Company's long-term debt is estimated by discounting the scheduled payment streams to present value based upon rates currently offered to the Company for debt of similar remaining maturities.

(11) COMMITMENTS AND CONTINGENCIES

Construction expenditures and investments in vehicles, buildings and other work equipment during 1994 are estimated to be \$142,000,000 for telephone operations, \$50,000,000 for mobile

communications operations (of which \$10,000,000 will be funded by minority interest owners in cellular partnerships operated by the Company) and \$4,000,000 for other operations.

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

(12) ACQUISITIONS

On April 8, 1993, the Company acquired San Marcos Telephone Company, Inc. ("SMTC") in a stock and cash transaction and SM Telecorp, Inc., an affiliate of SMTC, for cash. Subsequent to the acquisitions, the Company changed the names of San Marcos Telephone Company, Inc. and the principal operating subsidiary of SM Telecorp, Inc. to Century Telephone of San Marcos, Inc. and Century Telecommunications, Inc., respectively. The total acquisition price for both companies approximated \$100,000,000, the stock portion (approximately \$67,000,000) of which was represented by approximately 2,151,000 shares of Century's common stock. As a result of the acquisitions, which were accounted for as purchases, the

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Company acquired approximately 22,500 telephone access lines in and around San Marcos, Texas, along with a 35% ownership interest in the Austin, Texas MSA wireline cellular market and a 9.6% interest in the Texas RSA #16 wireline cellular market. Approximately \$87,000,000 of cost in excess of net assets acquired was recorded as a result of the acquisitions.

On April 1, 1992 the Company acquired Central Telephone Company of Ohio ("Central") for \$120,000,000 and changed Central's name to Century Telephone of Ohio, Inc. ("Ohio"). Ohio is a local exchange telephone company with approximately 68,100 access lines located in suburbs of Cleveland, Ohio. The net proceeds from the issuance of debentures were used to fund the major portion of the acquisition of Ohio. The acquisition was accounted for as a purchase and approximately \$80,000,000 of cost

in excess of net assets acquired was recorded.

During the first quarter of 1992, the Company purchased Ooltewah-Collegedale Telephone Company ("Ooltewah") and Chatham Telephone Co., Inc. ("Chatham"). Ooltewah provides service to 6,200 customers in suburbs of Chattanooga, Tennessee. Chatham owns a minority interest in a cellular partnership operated by the Company and serves 1,500 telephone customers in north Louisiana. In December 1992 the Company acquired 100% of the Alexandria, Louisiana MSA wireline cellular market ("Alexandria").

The purchase prices of Ooltewah, Chatham and Alexandria aggregated approximately \$37,000,000, of which approximately \$21,475,000 was paid through the issuance of 978,115 shares of Century's common stock.

The following pro forma information represents the consolidated results of operations of the Company as if each 1993 and 1992 acquisition had been combined with the Company as of January 1 of each respective period.

Year ended December 31,	1993	1992
	(expressed in thousands, except per share amounts) (unaudited)	
Revenues	\$438,418	395,033
Income before cumulative effect of changes in accounting principles	\$69,122	58,324
Net income	\$69,122	42,656
Fully diluted earnings per share before cumulative effect of changes in accounting principles	\$ 1.31	1.12
Fully diluted earnings per share	\$ 1.31	.85

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The pro forma information is not necessarily indicative of the operating results that would have occurred if each 1993 and 1992 acquisition had been consummated as of January 1 of each respective period, nor is it necessarily indicative of future operating results. The actual results of operations of an acquired company are included in the Company's consolidated financial statements only from the date of acquisition.

(13) SUBSEQUENT EVENTS (UNAUDITED)

In September 1993 the Company signed a merger agreement whereby it will acquire a local exchange telephone company in Michigan which serves approximately 2,400 access lines and which owns a minority interest of approximately 11% in a cellular partnership operated by the Company. This transaction is expected to be completed in the first quarter of 1994.

In October 1993 the Company executed a merger agreement with Celutel, Inc. under which Century acquired Celutel for approximately \$102,000,000 during the first quarter of 1994. Approximately \$51,400,000 of the purchase price was paid in cash, with the remainder being paid through the issuance of 1,900,000 shares of Century common stock. In connection with the acquisition, Century refinanced approximately \$41,700,000 of Celutel's debt. The acquisition was accounted for as a purchase and approximately \$138,000,000 of cost in excess of net assets acquired was recorded as a result of the acquisition. Celutel provides cellular service to approximately 28,000 customers in five non-wireline provider systems in MSAs in Mississippi and Texas.

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

<TABLE>
<CAPTION>

	Quarter Ended			
	March 31	June 30	September 30	December 31
	(expressed in thousands, except per share amounts)			
<S>	<C>	<C>	<C>	<C>
1993				
Total revenues	\$96,825	107,338	112,765	116,269
Operating income	\$28,267	31,343	33,477	31,721
Net income	\$15,740	16,517	17,596	19,151
Fully diluted earnings per share	\$.31	.32	.33	.36
1992				
Total revenues	\$75,863	89,109	93,427	101,203
Operating income	\$22,239	26,040	28,685	32,664
Income before cumulative effect of changes in accounting principles	\$11,531	12,936	15,429	20,077
Net income (loss)	\$(4,137)	12,936	15,429	20,077
Fully diluted earnings per share before cumulative effect of changes in accounting principles	\$.24	.27	.31	.40

Fully diluted earnings per share for the fourth quarter of 1993 reflect a decrease of \$.04 per share (compared to the fourth quarter of 1992) related to cellular commissions incurred as a result of the significant increase in the number of cellular subscribers activated during December 1993; such decrease was offset by non-recurring favorable income tax adjustments of \$.04 per share.

Fully diluted earnings per share before cumulative effect of changes in accounting principles for the fourth quarter of 1992 reflect a \$.06 per share impact of favorable adjustments to telephone revenues and a \$.04 per share impact from gains on the sales of assets.

Fully diluted earnings per share before cumulative effect of changes in accounting principles for 1992 have been adjusted to reflect the December 1992 stock split. See note 3 of Notes to Consolidated Financial Statements.

Certain amounts previously reported for 1992 have been reclassified to conform with 1993 presentation.

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

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Executive Officers

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

Name	Age	Office(s) held with Century
Clarke M. Williams	72	Chairman of the Board of Directors
Glen F. Post, III	41	Vice Chairman of the Board of Directors, President

		and Chief Executive Officer
R. Stewart Ewing, Jr.	42	Senior Vice President and Chief Financial Officer
W. Bruce Hanks	39	President - Telecommunications Services
Harvey P. Perry	49	Senior Vice President, General Counsel and Secretary
Jim D. Reppond	52	President - Telephone Group

Each of the Registrant's executive officers has served as an officer of the Registrant or one or more of its subsidiaries in varying capacities for more than the past 5 years.

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The balance of the information required by Item 10 is incorporated by reference to the Registrant's definitive proxy statement relating to its 1994 annual meeting of stockholders (the "Proxy Statement"), which Proxy Statement will be filed pursuant to Regulation 14A within 120 days after the end of the last fiscal year.

Item 11. Executive Compensation.

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

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

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

Item 13. Certain Relationships and Related Transactions.

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

PART IV

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

a. Financial Statements

(i) Consolidated Financial Statements:

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

Consolidated Statements of Income for the Years
Ended December 31, 1993, 1992 and 1991

Consolidated Balance Sheets - December 31, 1993 and
1992

Consolidated Statements of Cash Flows for the Years
Ended December 31, 1993, 1992 and 1991

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Consolidated Statements of Stockholders' Equity for
the Years Ended December 31, 1993, 1992 and 1991

Notes to Consolidated Financial Statements

Consolidated Quarterly Income Information
(unaudited)

(ii) Schedules:*

III Condensed Financial Information of Registrant

V Property, Plant and Equipment

VI Accumulated Depreciation and Amortization of
Property, Plant and Equipment

IX Short-Term Borrowings

X Supplementary Income Statement Information

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

b. Report on Form 8-K.

The following Current Report on Form 8-K was filed
during the fourth quarter of 1993:

October 8, 1993

Item 5. Other Events - Execution of definitive agreement and plan of merger pursuant to which Century Telephone Enterprises, Inc. proposes to acquire Celutel, Inc.

c. Exhibits:

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- 3(i) Amended and Restated Articles of Incorporation of Registrant, dated December 15, 1988
(incorporated by reference to Exhibit 3.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988), as amended by the Articles of Amendment dated May 2, 1989
(incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated May 5, 1989), by the Articles of Amendment dated May 17, 1990 (incorporated by reference to Exhibit 4.1 of the Registrant's Post-Effective Amendment No. 2 on Form S-3 dated December 21, 1990, Registration No. 33-17114) and by the Articles of Amendment dated May 30, 1991
(incorporated by reference to Exhibit 3.1 of Registrant's Current Report on Form 8-K dated June 12, 1991).
- 3(ii) Registrant's Bylaws, as amended through February 22, 1994, included elsewhere herein.
- 4.1 Loan Agreement, dated January 3, 1990, between Registrant and National Bank of Detroit, First National Bank of Commerce and Bank One, Texas, National Association (incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on

Form 10-K for the year ended December 31, 1989) and amendment thereto dated May 15, 1992 incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and the second amendment thereto dated March 31, 1993 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).

4.2 Note Purchase Agreement, dated September 1, 1989, between Registrant, Teachers Insurance and Annuity Association of America and the Lincoln National Life Insurance Company (incorporated by reference to Exhibit 4.23 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).

4.3 Agreement, dated November 27, 1977, among Registrant, The Travelers Insurance Company and The Travelers Indemnity Company, and form of Warrant (incorporated by reference to Exhibits 4 and 5 to

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Registrant's Annual Report on Form 10-K for the year ended December 31, 1977).

4.10 Form of Indenture dated May 1, 1940 among Century Telephone of Wisconsin, Inc. (formerly La Crosse Telephone Corporation) and the First National Bank of Chicago and William K. Stevens (incorporated by reference to Exhibit 4.12 to Registration No. 2-48478).

4.11 Supplemental Indenture No. 12 (incorporated by reference to Exhibit 5.12 to Registration No. 2-62172) and Supplemental Indentures 13 and 14 (incorporated by reference to Exhibit 5.11 to

Registration No. 2-68731), each of which are supplemental indentures to the Form of Indenture dated May 1, 1940 listed above as Exhibit 4.10.

4.12 Amended and Restated Rights Agreement dated as of November 17, 1986 between Century Telephone Enterprises, Inc. and the Rights Agent named therein (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 20, 1988), the Amendment thereto dated March 26, 1990 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990) and the Second Amendment thereto dated February 23, 1993 (incorporated by reference to Exhibit 4.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

4.16 Note Purchase Agreement, dated May 6, 1986, among Registrant, Teachers Insurance and Annuity Association of America, Aetna Life Insurance Company, the Aetna Casualty and Surety Company and Lincoln National Pension Insurance Company (incorporated by reference to Exhibit 4.23 to Registration No. 33-5836), Amendatory Agreement dated November 1, 1986 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated November 1, 1987 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987) and Modification Letter dated September 1, 1989 (incorporated by

reference to Exhibit 19.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).

- 4.21 * The Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, as amended and restated September 10, 1987 and amendment thereto dated February 29, 1988 (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987), amendments thereto dated March 21, 1991 and April 15, 1991, (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated March 31, 1992 (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated June 1, 1993 and June 10, 1993, included elsewhere herein.
- 4.22 Form of common stock certificate of the Registrant (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).
- 4.23 Indenture, dated February 1, 1992, between Registrant and First American Bank and Trust of Louisiana (incorporated by reference to Exhibit 4.23 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- 4.24 Revolving Credit Facility Agreement, dated February 7, 1992 between Registrant and NationsBank of Texas, N.A. (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated April 8, 1993 (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated July 9, 1993, included elsewhere herein.

4.25 Credit Agreement, dated February 9, 1994 between Registrant, NationsBank of Texas, N.A., Bank One, Texas, N.A., The Bank of Nova Scotia, First National Bank of Commerce and Texas Commerce Bank National Association, included elsewhere herein.

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10.1 * Employment Agreement, dated May 24, 1993, by and between Clarke M. Williams and Registrant (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).

10.2 * Form of employment agreement that the registrant has entered into with each Executive Officer other than Mr. Williams (incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990).

10.3 * Registrant's Outside Directors' Retirement Plan, dated November 19, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985), amendment thereto dated February 21, 1989 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto dated May 17, 1991 (incorporated by reference to Exhibit 10.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).

10.4 * Registrant's Amended and Restated Supplemental Executive Retirement Plan, as amended and restated May 17, 1991 (incorporated by reference to Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991) and amendment thereto dated February 24, 1993 (incorporated by reference to Exhibit 10.4 to

Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

10.5 * Registrant's 1983 Restricted Stock Plan, dated February 21, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).

10.6 * Registrant's Key Employee Incentive Compensation Plan, dated January 1, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).

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10.7 * The Century Telephone Enterprises, Inc. Dollars & Sense Plan and Trust, as amended and restated April 1, 1992 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated as of January 1, 1993, April 1, 1993, April 9, 1993 and July 1, 1993, included elsewhere herein.

10.8 * Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust, dated March 20, 1987 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated February 29, 1988 (incorporated by reference to Exhibit 10.9 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987), amendments thereto dated March 21, 1991 and April 15, 1991 (incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendments thereto dated March 31, 1992 (incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated June 1, 1993 and June 10, 1993,

included elsewhere herein.

- 10.9 * Registrant's 1988 Incentive Compensation Program as amended and restated August 22, 1989 (incorporated by reference to Exhibit 19.8 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 10.10 * Form of Stock Option Agreement entered into in 1988 by the Registrant, pursuant to 1988 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto (incorporated by reference to Exhibit 4.6 to Registrant's Registration No. 33-31314).
- 10.11 * Registrant's 1990 Incentive Compensation Program, dated March 15, 1990 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.12 * Form of Stock Option Agreement entered into in 1990 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 19.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.13 * Disability Retirement Agreement, dated July 17, 1990, between Clarke M. Williams, Jr. and Century Telephone Enterprises, Inc. (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.15 Agreement and Plan of Merger dated as of September 24, 1992, as amended by Amendment No. 1 thereto,

by and among Registrant, San Marcos Telephone Company, Incorporated, SM Telecorp, Inc., SMTC Acquisition Corp. and SMT Acquisition Corp. (incorporated by reference to Exhibit 2 of Registrant's Registration on Form S-4 dated February 3, 1993, Registration No. 33-57838).

10.16 * Registrant's Amended and Restated Salary

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

10.17 * Form of Stock Option Agreement entered into in

1992 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers and employees (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).

10.18 * Form of Performance Share Agreement Under the

1990 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).

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10.19 * Form of Restricted Stock Agreement and

Performance Share Agreement Under the 1988 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).

10.20 Agreement and Plan of Merger dated October 8, 1993,

as amended by Amendment No. 1 thereto dated

January 5, 1994 by and among Registrant, Celutel Acquisition Corp., Celutel, Inc. and the Principal Stockholders of Celutel, Inc. (incorporated by reference to Appendix I of Registrant's Prospectus forming a part of its Registration Statement No. 33-50791 filed January 12, 1994 pursuant to Rule 424(b)(5)).

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

* Management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CENTURY TELEPHONE ENTERPRISES, INC.

Date: March 16, 1994 By: /s/ Clarke M. Williams
Clarke M. Williams
Chairman of the Board

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

/s/ Clarke M. Williams Chairman of the Board
Clarke M. Williams of Directors March 16, 1994

/s/ Glen F. Post, III Vice Chairman of the
Glen F. Post, III Board of Directors,
President, and Chief Executive Officer March 16, 1994

/s/ R. Stewart Ewing, Jr. Senior Vice President
R. Stewart Ewing, Jr. and Chief Financial Officer March 16, 1994

/s/ Harvey P. Perry Senior Vice President,
Harvey P. Perry Secretary, General
Counsel and Director March 16, 1994

/s/ Jim D. Reppond President - Telephone
Jim D. Reppond Group and Director March 16, 1994

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Signatures
(Continued)

/s/ W. Bruce Hanks President - Telecommunications
W. Bruce Hanks Services and Director March 16, 1994

/s/ Murray H. Greer Controller (Principal
Murray H. Greer Accounting Officer) March 16, 1994

/s/ William R. Boles, Jr. Director
William R. Boles, Jr. March 16, 1994

/s/ Ernest Butler, Jr. Director
Ernest Butler, Jr. March 16, 1994

/s/ Calvin Czeschin Director
Calvin Czeschin March 16, 1994

/s/ James B. Gardner Director
James B. Gardner March 16, 1994

/s/ R. L. Hargrove, Jr. Director
R. L. Hargrove, Jr. March 16, 1994

/s/ Johnny Hebert Director
Johnny Hebert March 16, 1994

/s/ F. Earl Hogan Director
F. Earl Hogan March 16, 1994

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Signatures
(Continued)

/s/ Tom S. Lovett Director
Tom S. Lovett March 16, 1994

SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT

CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	Year ended December 31		
	1993	1992	1991
	(expressed in thousands)		
<S>	<C>	<C>	<C>
REVENUES	\$5,860	6,562	7,244
EXPENSES			
Operating expenses	6,014	6,281	7,578
Depreciation and amortization	5,877	4,086	2,146
Total expenses	11,891	10,367	9,724
OPERATING LOSS	(6,031)	(3,805)	(2,480)
OTHER INCOME (EXPENSE)			
Interest expense	(20,678)	(18,630)	(14,922)
Interest income	10,696	10,080	11,435
Total other income (expense)	(9,982)	(8,550)	(3,487)
LOSS BEFORE INCOME TAXES, CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES AND EQUITY IN SUBSIDIARIES' EARNINGS	(16,013)	(12,355)	(5,967)
INCOME TAX BENEFIT	5,037	2,173	2,013
LOSS BEFORE CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES AND EQUITY IN SUBSIDIARIES' EARNINGS	(10,976)	(10,182)	(3,954)
CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES	-	1,292	-
LOSS BEFORE EQUITY IN SUBSIDIARIES' EARNINGS	(10,976)	(8,890)	(3,954)
EQUITY IN SUBSIDIARIES' EARNINGS	79,980	53,195	41,373
NET INCOME	\$69,004	44,305	37,419

</TABLE>

CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

BALANCE SHEETS

	December 31,	
	1993	1992
	(expressed in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,547	2,570
Receivables from subsidiaries	53,638	46,967
Other receivables	7,330	1,168
Prepayments and other	857	343
Total current assets	67,372	51,048
PROPERTY, PLANT AND EQUIPMENT		
Property and equipment	1,192	1,119
Accumulated depreciation	(772)	(681)
Net property, plant and equipment	420	438
INVESTMENTS AND OTHER ASSETS		
Investments in subsidiaries (at equity)	771,062	579,579
Receivables from subsidiaries	130,568	124,215
Other investments, at cost	22,368	3,117
Deferred charges	3,788	3,920
Total investments and other assets	927,786	710,831
TOTAL ASSETS	\$995,578	762,317

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SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
(continued)

CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

BALANCE SHEETS
(continued)

	December 31,	
	1993	1992
	(expressed in thousands)	
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 4,450	4,027
Notes payable to banks	69,000	32,000
Payables to subsidiaries	93,540	91,469
Accrued interest	5,431	5,098
Other accrued liabilities	3,656	3,500
Total current liabilities	176,077	136,094

LONG-TERM DEBT 272,115 229,615

PAYABLES TO SUBSIDIARIES 25,696 3,919

DEFERRED CREDITS AND
OTHER LIABILITIES 7,922 7,240

STOCKHOLDERS' EQUITY

Common stock, \$1.00 par value,
authorized 100,000,000 shares, issued
and outstanding 51,294,705 and
48,896,876 shares 51,295 48,897
Paid-in capital 262,294 191,522
Retained earnings 208,945 155,676
Employee Stock Ownership Plan commitment (9,220) (11,100)
Preferred stock - non-redeemable 454 454

Total stockholders' equity 513,768 385,449

TOTAL LIABILITIES AND EQUITY \$995,578 762,317

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SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
(continued)

CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year ended December 31,		
	1993	1992	1991
	(expressed in thousands)		
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income	\$69,004	44,305	37,419
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	5,877	4,086	2,146
Deferred income taxes	(451)	2,886	538
Earnings of subsidiaries	(79,980)	(53,195)	(41,373)
Cumulative effect of changes in accounting principles	-	(1,292)	-
Gain on sale of subsidiary	-	(641)	-
Changes in current assets and current liabilities:			
Increase in receivables	(6,692)	(500)	(665)
Increase in accounts payable	1,203	1,075	4,106
Change in other current assets and other current liabilities, net	102	3,806	(2,121)
Other, net	1,934	635	473
Net cash provided by (used in) operating activities	(9,003)	1,165	523
INVESTING ACTIVITIES			
Acquisitions	(51,009)	(135,131)	(855)
Capital contributions to subsidiaries, net	(16,819)	(14,881)	(14,588)
Dividends received from subsidiaries	908	12,030	28,612
(Increase) decrease in receivables from subsidiaries	4,776	(6,020)	(19,639)
Increase in payables to subsidiaries	23,848	20,471	2,269
Purchase of Industrial Development Revenue bonds	(19,000)	-	-
Other, net	(321)	9,932	(9,629)

Net cash used in investing activities	(57,617)	(113,599)	(13,830)
FINANCING ACTIVITIES			
Proceeds from issuance of long-term debt	51,500	122,987	35,300
Payments of long-term debt	(6,697)	(24,418)	(21,125)
Notes payable, net	37,000	19,000	4,000
Proceeds from issuance of common stock	3,529	8,776	6,389
Cash dividends paid	(15,735)	(14,119)	(13,388)
Net cash provided by financing activities	69,597	112,226	11,176
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,977	(208)	(2,131)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,570	2,778	4,909
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$5,547	2,570	2,778

</TABLE>

SCHEDULE III - CONDENSED FINANCIAL INFORMATION OF REGISTRANT
(continued)

CENTURY TELEPHONE ENTERPRISES, INC.
(Parent Company)

NOTES TO CONDENSED FINANCIAL INFORMATION OF REGISTRANT

(A) LONG-TERM DEBT

The approximate annual debt maturities (including sinking fund requirements) for the five years subsequent to December 31, 1993 are as follows:

1994 -	\$ 4,450,000
1995 -	\$ 55,481,000
1996 -	\$ 37,566,000
1997 -	\$ 7,014,000
1998 -	\$ 9,817,000

(B) GUARANTEES

As of December 31, 1993, Century has guaranteed a promissory note for a subsidiary of \$2,889,000, as well as the applicable interest and premium. Century has also guaranteed \$1,085,000 in Industrial Development Revenue Bonds originally issued by a subsidiary; such bonds were assumed by the purchaser of the subsidiary's assets.

(C) DIVIDENDS FROM SUBSIDIARIES

Dividends paid to Century by consolidated subsidiaries were \$908,000, \$12,030,000 and \$28,612,000 during 1993, 1992 and 1991, respectively.

(D) INCOME TAXES AND INTEREST PAID

Income taxes paid by Century (including amounts reimbursed from subsidiaries) were \$31,500,000, \$26,500,000 and \$16,000,000 during 1993, 1992 and 1991, respectively.

Interest paid by Century was \$20,870,000, \$15,676,000 and \$15,379,000 during 1993, 1992 and 1991, respectively.

(E) CUMULATIVE EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES

Century adopted Statement of Financial Accounting Standards No. 106 ("SFAS 106"), "Employer's Accounting for Postretirement Benefits Other than Pensions" and Statement of Financial

(F) SUPPLEMENTAL CASH FLOW INFORMATION

Century issued common stock in connection with certain acquisitions during 1993, 1992 and 1991. The value at time of issuance of such common stock was approximately \$67,000,000, \$21,475,000 and \$5,355,000, respectively. These amounts represent the non-cash portion of the purchase prices for the acquisitions and are not included on the Statement of Cash Flows.

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CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 1993

<TABLE>
<CAPTION>

	Balance at beginning of period	Additions at cost	Retirements	Other changes- add (deduct)	Balance at end of period
(expressed in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Telephone:					
General support	\$ 69,202	6,509	(3,666)	13,258	85,303
Central office	250,164	46,640	(25,941)	10,260	281,123
Information origination/ termination	45,081	16,507	(28,187)	3,524	36,925
Cable and wire	441,159	64,038	(10,175)	17,218	512,240
Construction in progress	55,758	(2,514)	-	594	53,838
Other	10,019	-	-	1	10,020
	871,383	131,180	(67,969)	44,855 (1)	979,449
Mobile Communications:					
General support	16,314	7,359	(425)	(274)	22,974
Cell site	43,939	51,422	(4,744)	(9,089)	81,528
Construction in progress	4,913	(2,845)	-	124	2,192
Pagers	3,384	-	(68)	(150)	3,166
Other	3,376	156	(39)	(101)	3,392
	71,926	56,092	(5,276)	(9,490) (2)	113,252
Other:					
General support	60,503	19,025	(5,743)	3,226	77,011
Other	607	(12)	(1,182)	1,313	726
	61,110	19,013	(6,925)	4,539 (3)	77,737
	\$1,004,419	206,285	(80,170)	39,904	1,170,438

(1) Includes \$44,876,000 of assets at the date of acquisition of purchased subsidiaries.

(2) Includes \$9,801,000 of equipment removed from service to be refurbished and/or held for future use.

(3) Includes \$4,234,000 of assets at the date of acquisition of purchased subsidiaries.

For additional information see note 1 of Notes to Consolidated Financial Statements included in Item 8 elsewhere herein.

</TABLE>

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CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT

(continued)

For the year ended December 31, 1992

<TABLE>
<CAPTION>

	Balance at beginning of period	Additions at cost	Retirements	Other changes- add (deduct)	Balance at end of period
(expressed in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Telephone:					
General support	\$ 53,057	6,756	(2,376)	11,765	69,202
Central office	205,554	32,228	(26,678)	39,060	250,164
Information origination/ termination	32,685	1,104	(67)	11,359	45,081
Cable and wire	363,189	43,763	(6,235)	40,442	441,159
Construction in progress	29,840	25,106	-	812	55,758
Other	9,980	17	-	22	10,019
	694,305	108,974	(35,356)	103,460	871,383
Mobile Communications:					
General support	13,890	2,184	(41)	281	16,314
Cell site	36,703	6,347	(119)	1,008	43,939
Construction in progress	2,706	2,207	-	-	4,913
Pagers	4,113	94	(423)	(400)	3,384
Other	3,328	72	(105)	81	3,376
	60,740	10,904	(688)	970	71,926
Other:					
General support	40,511	22,027	(2,486)	451	60,503
Other	585	22	-	-	607
	41,096	22,049	(2,486)	451	61,110
	\$796,141	141,927	(38,530)	104,881 (1)	1,004,419

</TABLE>

(1) Includes \$110,667,000 of assets at the date of acquisition of purchased subsidiaries, net of \$5,064,000 of assets at the date of disposition of subsidiaries sold.

For additional information see Note 1 of Notes to Consolidated Financial Statements included in Item 8 elsewhere herein.

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CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
(continued)

For the year ended December 31, 1991

<TABLE>
<CAPTION>

	Balance at beginning of period	Additions at cost	Retirements	Other changes- add (deduct)	Balance at end of period
(expressed in thousands)					
<S>	<C>	<C>	<C>	<C>	<C>
Telephone:					
General support	\$ 47,882	5,156	(2,458)	2,477	53,057
Central office	198,889	24,937	(18,500)	228	205,554
Information origination/ termination	32,096	656	(75)	8	32,685
Cable and wire	332,045	38,119	(6,978)	3	363,189
Construction in progress	24,795	5,045	-	-	29,840

Other	9,980	-	-	-	9,980
	645,687	73,913	(28,011)	2,716	694,305
Mobile Communications:					
General support	10,136	4,062	(297)	(11)	13,890
Cell site	27,031	9,683	(11)	-	36,703
Construction in progress	4,288	(1,582)	-	-	2,706
Pagers	5,802	291	(639)	(1,341)	4,113
Other	3,737	248	(12)	(645)	3,328
	50,994	12,702	(959)	(1,997) (1)	60,740
Other:					
General support	37,629	11,701	(6,145)	(2,674)	40,511
Other	516	22	-	47	585
	38,145	11,723	(6,145)	(2,627)	41,096
	\$734,826	98,338	(35,115)	(1,908)	796,141

</TABLE>

(1) Includes \$2,032,000 of assets related to the Florida paging operations which were sold in 1991.

For additional information see note 1 of Notes to Consolidated Financial Statements included in Item 8 elsewhere herein.

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CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 1993

<TABLE>
<CAPTION>

	Balance at beginning of period	Charged to profit and loss	Salvage less removal costs	Retirements	Other changes	Balance at end of period
(expressed in thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Telephone:						
General support	\$ 25,656	5,646	426	(3,666)	5,134	33,196
Central office	76,270	15,050	762	(25,941)	4,591	70,732
Information origination/termination	42,580	10,916	91	(28,187)	2,051	27,451
Cable and wire	130,180	26,673	(1,419)	(10,175)	4,784	150,043
Other	5,556	1,353	(7)	-	155	7,057
	280,242	59,638	(147)	(67,969)	16,715 (1)	288,479
Mobile Communications:						
General support	4,715	1,547	-	(315)	(324)	5,623
Cell site	18,248	7,770	-	(3,053)	(5,759)	17,206
Pagers	3,018	327	-	(68)	(150)	3,127
Other	1,632	204	-	(37)	(19)	1,780
	27,613	9,848	-	(3,473)	(6,252) (2)	27,736
Other:						
General support	20,374	8,327	-	(3,648)	1,185	26,238
Other	312	186	-	(626)	337	209
	20,686	8,513	-	(4,274)	1,522 (3)	26,447
	\$328,541	77,999	(147)	(75,716)	11,985	342,662

</TABLE>

Depreciation and amortization charged to income -	
Depreciation, as above	\$77,999
Amortization of cost of investment in subsidiaries	
in excess of net assets acquired	7,512
Amortization of extraordinary retirements	664
	<u>\$86,175</u>
	=====

- (1) Includes \$16,771,000 of accumulated depreciation and amortization at the date of acquisition of purchased subsidiaries.
- (2) Includes \$6,277,000 of accumulated depreciation related to equipment removed from service to be refurbished and/or held for future use.
- (3) Includes \$1,447,000 of accumulated depreciation and amortization at the date of acquisition of purchased subsidiaries.

CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT
(continued)

For the year ended December 31, 1992

<TABLE>
<CAPTION>

	Balance at beginning of period	Charged to profit and loss	Salvage less removal costs	Retirements	Other changes	Balance at end of period
	(expressed in thousands)					
	<C>	<C>	<C>	<C>	<C>	<C>
<S>						
Telephone:						
General support	\$ 19,525	3,783	271	(2,376)	4,453	25,656
Central office	70,402	22,219	313	(26,678)	10,014	76,270
Information origination/termination	30,376	1,654	-	(67)	10,617	42,580
Cable and wire	99,241	21,900	(1,415)	(6,235)	16,689	130,180
Other	5,574	121	(145)	-	6	5,556
	<u>225,118</u>	<u>49,677</u>	<u>(976)</u>	<u>(35,356)</u>	<u>41,779</u>	<u>280,242</u>
Mobile Communications:						
General support	3,280	1,423	-	(40)	52	4,715
Cell site	12,249	5,724	-	(119)	394	18,248
Pagers	2,925	860	-	(421)	(346)	3,018
Other	1,489	227	-	(92)	8	1,632
	<u>19,943</u>	<u>8,234</u>	<u>-</u>	<u>(672)</u>	<u>108</u>	<u>27,613</u>
Other:						
General support	15,836	6,363	-	(2,102)	277	20,374
Other	246	66	-	-	-	312
	<u>16,082</u>	<u>6,429</u>	<u>-</u>	<u>(2,102)</u>	<u>277</u>	<u>20,686</u>
	<u>\$261,143</u>	<u>64,340</u>	<u>(976)</u>	<u>(38,130)</u>	<u>42,164 (1)</u>	<u>328,541</u>
	=====					

</TABLE>

Depreciation and amortization charged to income -	
Depreciation, as above	\$64,340

Amortization of cost of investment in subsidiaries in excess of net assets acquired	5,396
Amortization of extraordinary retirements	1,026
	<u>\$70,762</u>
	=====

(1) Includes \$43,154,000 of accumulated depreciation and amortization at the date of acquisition of purchased subsidiaries, net of \$1,855,000 of accumulated depreciation and amortization at the date of disposition of subsidiaries sold.

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CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE VI - ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY,
PLANT AND EQUIPMENT

(continued)

For the year ended December 31, 1991

<TABLE>
<CAPTION>

	Balance at beginning of period	Additions		Retirements	Other changes	Balance at end of period
		Charged to profit and loss	Salvage less removal costs			
(expressed in thousands)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Telephone:						
General support	\$17,149	2,771	356	(2,458)	1,707	19,525
Central office	70,965	17,480	582	(18,500)	(125)	70,402
Information origination/ termination	27,007	3,143	(4)	(75)	305	30,376
Cable and wire	89,567	17,802	(1,255)	(6,978)	105	99,241
Other	5,384	111	53	-	26	5,574
	<u>210,072</u>	<u>41,307</u>	<u>(268)</u>	<u>(28,011)</u>	<u>2,018</u>	<u>225,118</u>
Mobile Communications:						
General support	2,337	1,179	-	(240)	4	3,280
Cell site	8,259	3,966	-	(6)	30	12,249
Pagers	2,886	1,588	-	(638)	(911)	2,925
Other	1,262	615	-	-	(388)	1,489
	<u>14,744</u>	<u>7,348</u>	<u>-</u>	<u>(884)</u>	<u>(1,265) (1)</u>	<u>19,943</u>
Other:						
General support	18,610	4,507	-	(5,201)	(2,080)	15,836
Other	443	35	-	-	(232)	246
	<u>19,053</u>	<u>4,542</u>	<u>-</u>	<u>(5,201)</u>	<u>(2,312)</u>	<u>16,082</u>
	<u>\$243,869</u>	<u>53,197</u>	<u>(268)</u>	<u>(34,096)</u>	<u>(1,559)</u>	<u>261,143</u>
=====						

</TABLE>

Depreciation and amortization charged to income -	
Depreciation, as above	\$53,197
Amortization of cost of investment in subsidiaries in excess of net assets acquired	3,173
Amortization of extraordinary retirements	936
	<u>\$57,306</u>
	=====

(1) Includes \$1,300,000 of accumulated depreciation and amortization related to the Florida paging operations which were sold in 1991.

CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE IX - SHORT-TERM BORROWINGS

For the years ended December 31, 1993, 1992 and 1991

<TABLE>
<CAPTION>

Category of aggregate short-term borrowings	Balance at end of period	Weighted average interest rate end of period	(a) Maximum amount outstanding during the period	(b) Average amount outstanding during the period	(c) Weighted average interest rate during the period
<S>	<C>	<C>	<C>	<C>	<C>
Year ended December 31, 1993:					
Notes payable to banks (See Note 1)	\$69,200,000	3.823%	\$69,200,000	\$54,121,000	3.743%
Year ended December 31, 1992:					
Notes payable to banks (See Note 1)	\$32,415,000	3.940%	\$32,415,000	\$24,998,000	4.193%
Year ended December 31, 1991:					
Notes payable to banks (See Note 2)	\$15,000,000	5.413%	\$15,000,000	\$ 2,597,000	5.477%

</TABLE>

Note 1

Notes payable to banks represent various promissory notes and revolving credit notes.

Note 2

Notes payable to banks represent borrowings under promissory notes and a money market revolving credit note.

(a) Maximum amount outstanding at any month-end during the period.

(b) Average amount outstanding during the period is computed by dividing the total weighted daily balance outstanding by 360.

(c) Average interest rate for the year is computed by dividing short-term interest expense by the average short-term debt outstanding.

CENTURY TELEPHONE ENTERPRISES, INC. AND SUBSIDIARIES

SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION

Year ended December 31,

	1993	1992	1991
Maintenance and repairs	\$ 64,401	52,820	43,561

(expressed in thousands)

Taxes, other than payroll and income taxes:			
Property taxes	\$ 11,629	9,805	6,906
Gross receipts taxes	4,570	4,473	3,326
All other operating taxes	2,525	1,455	1,263

Taxes charged to costs and

expenses	\$ 18,724	15,733	11,495
Advertising costs	\$ 4,148	3,459	2,771

All other requirements of this schedule are either immaterial or disclosed in the consolidated financial statements or related notes.

CENTURY TELEPHONE ENTERPRISES, INC.

INDEX TO EXHIBITS

December 31, 1993

Exhibit
Number

- 3(i) Amended and Restated Articles of Incorporation of Registrant, dated December 15, 1988 (incorporated by reference to Exhibit 3.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988), as amended by the Articles of Amendment dated May 2, 1989 (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated May 5, 1989), by the Articles of Amendment dated May 17, 1990 (incorporated by reference to Exhibit 4.1 of the Registrant's Post-Effective Amendment No. 2 on Form S-3 dated December 21, 1990, Registration No. 33-17114) and by the Articles of Amendment dated May 30, 1991 (incorporated by reference to Exhibit 3.1 of Registrant's Current Report on Form 8-K dated June 12, 1991).
- 3(ii) Registrant's Bylaws, as amended through February 22, 1994, included herein.
- 4.1 Loan Agreement, dated January 3, 1990, between Registrant and National Bank of Detroit, First National Bank of Commerce and Bank One, Texas, National Association (incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1989) and amendment thereto dated May 15, 1992 incorporated by reference to Exhibit 4.1 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and the second amendment thereto dated March 31, 1993 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).
- 4.2 Note Purchase Agreement, dated September 1, 1989, between Registrant, Teachers Insurance and Annuity Association of America and the Lincoln National Life Insurance Company (incorporated by reference to Exhibit 4.23 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 4.3 Agreement, dated November 27, 1977, among Registrant, The Travelers Insurance Company and The Travelers Indemnity Company, and form of Warrant (incorporated by reference to Exhibits 4 and 5 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1977).
- 4.10 Form of Indenture dated May 1, 1940 among Century Telephone of Wisconsin, Inc. (formerly La Crosse Telephone Corporation) and the First National Bank of Chicago and William K. Stevens (incorporated by reference to Exhibit 4.12 to Registration No. 2-48478).
- 4.11 Supplemental Indenture No. 12 (incorporated by reference to Exhibit 5.12 to Registration No. 2-62172) and Supplemental Indentures 13 and 14 (incorporated by reference to Exhibit 5.11 to Registration No. 2-68731), each of which are supplemental indentures to the Form of

- Indenture dated May 1, 1940 listed above as Exhibit 4.10.
- 4.12 Amended and Restated Rights Agreement dated as of November 17, 1986 between Century Telephone Enterprises, Inc. and the Rights Agent named therein (incorporated by reference to Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 20, 1988), the Amendment thereto dated March 26, 1990 (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1990) and the Second Amendment thereto dated February 23, 1993 (incorporated by reference to Exhibit 4.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.16 Note Purchase Agreement, dated May 6, 1986, among Registrant, Teachers Insurance and Annuity Association of America, Aetna Life Insurance Company, the Aetna Casualty and Surety Company and Lincoln National Pension Insurance Company (incorporated by reference to Exhibit 4.23 to Registration No. 33-5836), Amendatory Agreement dated November 1, 1986 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated November 1, 1987 (incorporated by reference to Exhibit 4.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987) and Modification Letter dated September 1, 1989 (incorporated by reference to Exhibit 19.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 4.21 The Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, as amended and restated September 10, 1987 and amendment thereto dated February 29, 1988 (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987), amendments thereto dated March 21, 1991 and April 15, 1991, (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated March 31, 1992 (incorporated by reference to Exhibit 4.21 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated June 1, 1993 and June 10, 1993, included herein.
- 4.22 Form of common stock certificate of the Registrant (incorporated by reference to Exhibit 4.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).
- 4.23 Indenture, dated February 1, 1992, between Registrant and First American Bank and Trust of Louisiana (incorporated by reference to Exhibit 4.23 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- 4.24 Revolving Credit Facility Agreement, dated February 7, 1992 between Registrant and NationsBank of Texas, N.A. (incorporated by reference to Exhibit 4.24 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendment thereto dated April 8, 1993 (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993) and amendment thereto dated July 9, 1993, included herein.
- 4.25 Credit Agreement, dated February 9, 1994 between Registrant, NationsBank of Texas, N.A., Bank One, Texas, N.A., The Bank of Nova Scotia, First National Bank of Commerce and Texas Commerce Bank National Association, included herein.
- 10.1 Employment Agreement, dated May 24, 1993, by and between Clarke M. Williams and Registrant (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993).

- 10.2 Form of employment agreement that the registrant has entered into with each Executive Officer other than Mr. Williams (incorporated by reference to Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990).
- 10.3 Registrant's Outside Directors' Retirement Plan, dated November 19, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985), amendment thereto dated February 21, 1989 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto dated May 17, 1991 (incorporated by reference to Exhibit 10.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- 10.4 Registrant's Amended and Restated Supplemental Executive Retirement Plan, as amended and restated May 17, 1991 (incorporated by reference to Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991) and amendment thereto dated February 24, 1993 (incorporated by reference to Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.5 Registrant's 1983 Restricted Stock Plan, dated February 21, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).
- 10.6 Registrant's Key Employee Incentive Compensation Plan, dated January 1, 1984 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1985).
- 10.7 The Century Telephone Enterprises, Inc. Dollars & Sense Plan and Trust, as amended and restated April 1, 1992 (incorporated by reference to Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated as of January 1, 1993, April 1, 1993, April 9, 1993 and July 1, 1993, included herein.
- 10.8 Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust, dated March 20, 1987 (incorporated by reference to Registrant's Annual Report on Form 10-K for the year ended December 31, 1986), amendment thereto dated February 29, 1988 (incorporated by reference to Exhibit 10.9 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1987), amendments thereto dated March 21, 1991 and April 15, 1991 (incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991), amendments thereto dated March 31, 1992 (incorporated by reference to Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992) and amendments thereto dated June 1, 1993 and June 10, 1993, included herein.
- 10.9 Registrant's 1988 Incentive Compensation Program as amended and restated August 22, 1989 (incorporated by reference to Exhibit 19.8 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1989).
- 10.10 Form of Stock Option Agreement entered into in 1988 by the Registrant, pursuant to 1988 Incentive Compensation Program, with certain of its officers (incorporated by reference to Exhibit 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1988) and amendment thereto (incorporated by reference to Exhibit 4.6 to Registrant's Registration No. 33-31314).
- 10.11 Registrant's 1990 Incentive Compensation Program, dated March 15, 1990 (incorporated by reference to Exhibit 19.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.12 Form of Stock Option Agreement entered into in 1990 by the Registrant, pursuant to 1990 Incentive Compensation

- Program, with certain of its officers (incorporated by reference to Exhibit 19.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.13 Disability Retirement Agreement, dated July 17, 1990, between Clarke M. Williams, Jr. and Century Telephone Enterprises, Inc. (incorporated by reference to Exhibit 19.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1990).
- 10.15 Agreement and Plan of Merger dated as of September 24, 1992, as amended by Amendment No. 1 thereto, by and among Registrant, San Marcos Telephone Company, Incorporated, SM Telecorp, Inc., SMTAC Acquisition Corp. and SMT Acquisition Corp. (incorporated by reference to Exhibit 2 of Registrant's Registration on Form S-4 dated February 3, 1993, Registration No. 33-57838).
- 10.16 Registrant's Amended and Restated Salary Continuation (Disability) Plan for Officers, dated November 26, 1991 (incorporated by reference to Exhibit 10.16 of Registrant's Annual Report on Form 10-K for the year ended December 31, 1991).
- 10.17 Form of Stock Option Agreement entered into in 1992 by the Registrant, pursuant to 1990 Incentive Compensation Program, with certain of its officers and employees (incorporated by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.18 Form of Performance Share Agreement Under the 1990 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).
- 10.19 Form of Restricted Stock Agreement and Performance Share Agreement Under the 1988 Incentive Compensation Program, entered into in 1993 with certain of its officers and employees (incorporated by reference to Exhibit 28.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1993).
- 10.20 Agreement and Plan of Merger dated October 8, 1993, as amended by Amendment No. 1 thereto dated January 5, 1994 by and among Registrant, Celutel Acquisition Corp., Celutel, Inc. and the Principal Stockholders of Celutel, Inc. (incorporated by reference to Appendix I of Registrant's Prospectus forming a part of its Registration Statement No. 33-50791 filed January 12, 1994 pursuant to Rule 424(b)(5)).
- 11 Computations of Earnings Per Share, included herein.
- 21 Subsidiaries of the Registrant, included herein.
- 23 Independent Auditors' Consent, included herein.

BYLAWS
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BYLAWS

(Amended entirely March 19, 1987)

(Article I, Section 1 Amended August 24, 1987)

(Article II, Section 9 Amended entirely February 22, 1988)

(Article II, Section 2, A., Amended May 16, 1988)

(Article I, Section 1 Amended June 24, 1988)

(Article IV Amended in its entirety November 22, 1988)

(Article 1, Section 1 Amended February 21, 1989)

(Article I, Section 1, A., B., and C., Amended April 25, 1989)

(Article I, Sec. 1, new "K", redesignation of "L" through "Q", July 10, 1989)

(Article I, Section 1, "Q" - Amended August 22, 1989)

(Article 1, Section 1 (B)(C) - Amended July 17, 1990)

(Article III, Section 1, Subsection "F" - Amended February 25, 1992)

(Article I, Section 2, and adding new Section 1A. to Article II - May 14, 1993)

(Article I, Section 1, Subsection "K" - May 6, 1993)

(Article I, Section 1, Amended in its entirety May 25, 1993)

Article I, Section 1(C) and Article III, Section 1(B) - February 22, 1994

ARTICLE I

OFFICERS

Section 1. Required and Permitted Officers.

The officers of Century Telephone Enterprises, Inc., shall be a Chairman of the Board; a Chief Executive Officer; a President; a Secretary; and a Treasurer. The Board may elect such other officers as the Board may determine. An officer need not be a Director and any two or more of the offices may be held by one person; provided, that a person holding more than one office may not sign in more than one capacity any certificate or any instrument required to be signed by two officers. The required and permitted officers and duties thereof are as follows:

A. Chairman of the Board (Chairman). The Chairman shall preside at all meetings of the stockholders and Directors, see that all orders, policies and resolutions of the Board are carried out and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

B. Vice Chairman. The Board may from time to time elect one or more Vice Chairmen. The Vice Chairman shall serve in the absence or inability of the Chairman to serve. In the event of the death, resignation or permanent inability of the Chairman to serve, the Vice Chairman shall automatically succeed to the office of Chairman until such time as the Board of Directors convenes at a properly called meeting to elect a new Chairman. In the event that there is more than one Vice Chairman, then the one who has served in that capacity for the longest period of time shall serve in the absence of the Chairman or assume the office of Chairman as the case may be.

C. Chief Executive Officer (CEO). The CEO shall, subject to the powers of the Chairman, have general and active management of the business of the Corporation. He may sign, execute and deliver in the name of the corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors and the Bylaws. The CEO shall manage the day-to-day affairs of the Corporation and direct the activities of the President - Telephone Group, President - Telecommunications Services, the General Counsel and the Chief Financial Officer. Without limiting the generality of the foregoing, the CEO shall, unless otherwise directed by the Board, establish the annual salaries of each non-executive officer of the Corporation and each officer of the Corporation's subsidiaries.

D. President. The President may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds, and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the Chairman, the CEO, and the Bylaws.

E. Executive Vice President(s). The Executive Vice President(s) shall assist the CEO in discharging the duties of that office in any manner requested and perform any other duties as may be prescribed by the CEO, the Board of Directors and/or the Bylaws.

F. Chief Financial Officer. The Chief Financial Officer shall be the principal financial officer of the Corporation. He shall manage the financial affairs of the Corporation and direct the activities of the Treasurer, Controller and other officers responsible for functional areas within the Finance Group. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds, and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws. He shall be responsible for all internal and external financial reporting.

G. Treasurer. As directed by the Chief Financial Officer, the Treasurer shall have general custody of all the funds and securities of the Corporation. He may sign, with the CEO, President, Chief Financial Officer or such other person or persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. He shall perform such other duties as may be prescribed from time to time by the Chief Financial Officer or by the Bylaws.

H. Controller. As directed by the Chief Financial Officer, he shall be responsible for the development and maintenance of the accounting systems used by the Corporation and its subsidiaries. The Controller shall be authorized to implement policies and procedures to ensure that the Corporation and its subsidiaries maintain internal accounting control systems designed to provide reasonable assurance that the accounting records accurately reflect business transactions and that such transactions are in accordance with managements' authorization. Additionally, as directed by the Chief Financial Officer, the Controller shall be responsible for internal and external financial reporting for the Corporation and its subsidiaries.

I. Assistant Treasurer. The Assistant Treasurer shall have such powers and perform such duties as may be assigned by the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer.

J. Secretary. The Secretary shall keep the minutes of all meetings of the stockholders, the Board of Directors and all committees. He shall cause notice to be given of meetings of stockholders, of the Board of Directors and of any committee appointed by the Board. He shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the duties vested in other officers, which shall at all reasonable times be open to the examination of any Director. He may sign or execute contracts with any other officer thereunto authorized in the name of the Corporation and affix the seal of Corporation thereto. He shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

K. Assistant Secretary. The Assistant Secretary shall have powers and perform such duties as may be assigned by the Secretary. In the absence or disability of the Secretary, the Assistant Secretary shall perform the duties and exercise the power of the Secretary.

L. President - Telecommunications Services. The President

- Telecommunications Services shall serve as President of all Cellular and Paging subsidiaries and such other subsidiaries of the Company as he is from time to time elected President by the Board of Directors thereof. Subject to any limitation in these or the subsidiary Bylaws, he shall be responsible for all operations, marketing, construction, preparation of budgets and business plans, and the profitability of all of the operations of the company under his supervision.

M. President - Telephone Group. The President - Telephone Group shall serve as President of all operating telephone subsidiaries and subsidiaries operating in conjunction therewith. Subject to any limitations in these or the subsidiary Bylaws, he shall be responsible for all operations, marketing, construction, preparation of budgets and business plans, and the profitability of all of the operations of the company under his supervision.

N. General Counsel. The General Counsel shall be directly responsible for advising the Board of Directors, the Company, and all its officers and employees in all matters affecting the legal affairs of the Company. He shall determine the need for and if necessary, select outside counsel to represent the Company and approve all fees in connection with their representation. He shall also have such other powers, duties and authority as may be prescribed to him from time to time by the CEO, Board of Directors, or the Bylaws.

O. Senior Vice President(s). The Senior Vice President(s) shall perform such duties as may be prescribed from time to time by the Board of Directors, the CEO, or the Bylaws.

P. Vice President(s). The Vice President(s) shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO, the President, or the Executive Vice President or Senior Vice President to whom they report. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Q. Assistant Vice President(s). The Assistant Vice President(s) shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO, the President or the office to whom they report. An Assistant Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

R. Executive Officer Group. The Executive Officer Group shall be the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President - Telecommunications Services, the President Telephone Group, and the General Counsel.

Section 2. Election and Removal of Officers

The officers shall be elected annually by the Board of Directors at its first meeting following the annual meeting of the shareholders and, at any time, the Board may remove any officer (with or without cause, and regardless of any contractual obligation to such officer) and fill a vacancy in any office; but any election to, removal from or appointment to fill a vacancy in any office, and the determination of the terms of employment, shall require the affirmative votes of: (a) a majority of the Directors then in office; and (b) a majority of the Continuing Directors (as defined in the Articles of Incorporation), voting as a separate group.

In addition, the Chief Executive Officer is empowered in his sole discretion to remove or suspend any officer or other employee of the Corporation who (1) fails to respond satisfactorily to the Corporation respecting any inquiry by the Corporation for information to enable it to make any certification required by the Federal Communications Commission under the Anti-Drug Abuse Act of 1988, (2) is arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, or (3) the Chief Executive Officer believes to have been engaged in actions that could lead to such an arrest or conviction.

ARTICLE II

BOARD OF DIRECTORS

Section 1. Powers

In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

A. No person shall be eligible for nomination, election or service as a director of the Corporation who shall

- (i) in the opinion of the Board of Directors fail to respond satisfactorily to the Corporation respecting any inquiry of the Corporation for information to enable the Corporation to make any certification required by the Federal

Communication's Commission under the Anti-Drug Abuse Act of 1988 or to determine the eligibility of such persons under this section;

(ii) have been arrested or convicted of any offense concerning the distribution or possession of, or trafficking in, drugs or other controlled substances, provided that in the case of an arrest the Board of Directors may in its discretion determine that notwithstanding such arrest such persons shall remain eligible under this Section; or

(iii) have engaged in actions that could lead to such an arrest or conviction and that the Board of Directors determines would make it unwise for such person to serve as a director of the Corporation.

B. Any person serving as a director of the Corporation shall automatically cease to be a director on such date as he ceases to have the qualifications set forth in Paragraph A of this Section, and his position shall be considered vacant within the meaning of Article VIII, Section B, Paragraph 2 of the Articles of Incorporation of the Corporation.

Section 2. Organization and Regular Meetings.

A. The Board of Directors shall hold an annual organization meeting, without notice, immediately following the adjournment of the annual meeting of the shareholders and shall hold a regular meeting on the first Tuesday after the twentieth in the months of February, May, August and November of each year.

B. The Secretary shall give not less than ten days' written notice to each Director of all regular meetings, which notice shall state the time and place of the meeting.

C. Any Director may waive notice of a meeting by written waiver executed either before or after the meeting.

Section 3. Special Meetings.

A. Special meetings of the Board of Directors may be called by the Chairman of the Board or, if he is absent or unable or unwilling to act, by the President. Upon the written request of any two Directors delivered to the Chairman of the Board, the President or the Secretary of the Corporation, a Special Meeting shall be called.

B. Written notice of the time and place of special

meetings shall be delivered personally to the Directors or sent to each Director by letter or by telegram, charges prepaid, addressed to him at his address shown on such records or if not readily ascertainable, at the place in which the meetings of the Directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail at least seventy-two hours or delivered to an overnight mail delivery service or to the telegraph company in the place in which the principal office of the corporation is located at least forty-eight hours prior to the time of the holding of the meeting. In case such notice is personally delivered as above provided, it shall be so delivered at least twenty-four hours prior to the time of the holding of the meeting. The foregoing notwithstanding, if the Chairman or the President shall determine, in his sole discretion, that the subject of the special meeting is urgent and must be considered by the Board without delay, notice may be given by personal delivery or by telephone not less than twelve hours prior to the time set for the meeting, provided a confirming telegram or overnight letter is sent to the Director contemporaneously. Such mailing, telegraphing, telephoning or personal delivery as above provided shall be due, legal and personal notice to such Director.

Section 4. Quorum.

A majority of the authorized number of Directors as fixed by or pursuant to the Articles of Incorporation shall be necessary to constitute a quorum for the transaction of business and the action of a majority (or of a required super-majority as to those matters specified in the Articles of Incorporation or these Bylaws or by applicable law) of the Directors present at any meeting at which there is a quorum, when duly assembled, is valid as a corporate act; provided that a minority of the Directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

Section 5. Notice of Adjournment.

Notice of the time and place of holding an adjourned meeting need not be given to absent Directors, if the time and place be fixed at the meeting adjourned.

Section 6. Consent of Board Obviating Necessity of Meeting.

Anything to the contrary contained in these Bylaws notwithstanding, any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all

members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors at a meeting.

Section 7. Voting.

At all meetings of the Board, each Director present shall have one vote. At all meetings of the Board, all questions, the manner of deciding which is not otherwise specifically regulated by law, the Certificate of Incorporation or these Bylaws, shall be determined by a majority of the Directors present at the meeting; provided, however, that any shares of other corporations owned by the Corporation shall be voted only pursuant to resolutions duly adopted upon the affirmative votes of (a) eighty percent of the Directors then in office and (b) a majority of the Continuing Directors (as defined in the Articles of Incorporation), voting as a separate group.

Section 8. Use of Communications Equipment.

Meetings of the Board of Directors may be held by means of telephone conference calls or similar communications equipment provided that all persons participating in the meeting can hear and communicate with each other.

Section 9. Indemnification

9.1 Definitions. As used in this Section:

(a) The term "Expenses" shall mean any expenses or costs (including, without limitation, attorney's fees, judgments, punitive or exemplary damages, fines and amounts paid in settlement). If any of the foregoing amounts paid on behalf of Indemnitee are not deductible by Indemnitee for federal or state income tax purposes, the Company will reimburse Indemnitee for tax liability with respect thereto by paying to Indemnitee an amount which, after taking into account taxes on such amount, equals Indemnitee's incremental tax liability.

(b) The term "Claim" shall mean any threatened, pending or completed claim, action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether made judicially or extra-judicially, or any separate issue or matter therein, as the context requires.

(c) The term "Determining Body" shall mean (i) those members of the Board of Directors who are not named as parties to the Claim for which indemnification is being sought ("Impartial Directors"), if there are at least three Impartial Directors, or (ii) a committee of at least three directors appointed by the Board of Directors (regardless whether the members of the Board of Directors voting on such appointment are Impartial Directors) and composed of Impartial Directors or (iii) if there are fewer than three Impartial Directors or if the Board of Directors or a committee appointed thereby so directs (regardless whether the members thereof are Impartial Directors), independent legal counsel, which may be the regular outside counsel of the Corporation.

(d) The term "Indemnitee" shall mean each director and officer and each former director and officer of the Corporation.

9.2 Indemnity.

(a) To the extent any Expenses incurred by Indemnitee are in excess of the amounts reimbursed or indemnified pursuant to policies of liability insurance maintained by the Corporation, the Corporation shall indemnify and hold harmless Indemnitee against any such Expenses actually and reasonably incurred in connection with any Claim against Indemnitee (whether as a subject of or party to, or a proposed or threatened subject of or party to, the Claim) or in which Indemnitee is involved solely as a witness or person required to give evidence, by reason of his position.

(i) as a director or officer of the Corporation

(ii) as a director or officer of any subsidiary of the Corporation or as a fiduciary with respect to any employee benefit plan of the Corporation or

(iii) as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other for profit or not for profit entity or enterprise, if such position is or was held at the request of the Corporation, whether relating to service in such position before or after the effective date of this Section 9, if (i) the Indemnitee is successful in his defense of the Claim on the merits or otherwise or (ii) the Indemnitee has been found by the Determining Body (acting in good faith) to have met the Standard of Conduct; provided that (a) the amount of Expenses for which the Corporation shall indemnify Indemnitee may be reduced by the Determining Body to such amount as it deems proper if it determines in good faith that the Claim involved the receipt of a personal benefit by Indemnitee and (b) no indemnification shall be made in respect of any Claim as to which Indemnitee shall have

been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for willful or intentional misconduct in the performance of his duty to the Corporation or to have obtained an improper benefit, unless, and only to the extent that, a court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is fairly and reasonably entitled to indemnity for such Expenses as the court shall deem proper; and provided further that, if the Claim involves Indemnitee by reason of his position with an entity or enterprise described in clause (ii) or (iii) of this Section 3.2(a) and if Indemnitee may be entitled to indemnification with respect to such Claim from such entity or enterprise, Indemnitee shall be entitled to indemnification hereunder only (x) if he as applied to such entity or enterprise for indemnification with respect to the Claim and (y) to the extent that indemnification to which he would be entitled hereunder but for this proviso exceeds the indemnification paid by such other entity or enterprise.

(b) For purposes of this Section, the Standard of Conduct is met when conduct by an Indemnitee with respect to which a Claim is asserted was conduct that he reasonably believed to be in, or not opposed to, the best interest of the Corporation, and, in the case of a Claim which is a criminal action or proceeding, conduct that the Indemnitee had no reasonable cause to believe was unlawful. The termination of any Claim by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not meet the Standard of Conduct.

(c) Promptly upon becoming aware of the existence of any Claim, Indemnitee shall notify the Chief Executive Officer of the existence of the Claim, who shall promptly advise the members of the Board of Directors thereof and that establishing the Determining Body will be a matter presented at the next regularly scheduled meeting of the Board of Directors. After the Determining Body has been established the Chief Executive Officer shall inform Indemnitee thereof and Indemnitee shall immediately notify the Determining Body of all facts relevant to the Claim known to such Indemnitee. Within 60 days of the receipt of such notice and information, together with such additional information as the Determining Body may request of Indemnitee, the Determining Body shall report to Indemnitee of its determination whether Indemnitee has met the Standard of Conduct. The Determining Body may extend the period of time for determining whether the Standard of Conduct has been met, but in no event shall such period of time be extended beyond an additional sixty days.

(d) If, after determining that the Standard of Conduct has been met, the Determining Body obtains facts of which it was not aware at the time it made such determination, the Determining Body on its own motion, after notifying the Indemnitee and providing him an opportunity to be heard, may, on the basis of such facts, revoke such determination, provided that, in the absence of actual fraud by Indemnitee, no such revocation may be made later than thirty days after final disposition of the Claim.

(e) Indemnitee shall promptly inform the Determining Body upon his becoming aware of any relevant facts not theretofore provided by him to the Determining Body, unless the Determining Body has obtained such facts by other means.

(f) In the case of any Claim not involving a proposed, threatened or pending criminal proceeding,

(i) if Indemnitee has, in the good faith judgment of the Determining Body, met the Standard of Conduct, the Corporation may, in its sole discretion, assume all responsibility for the defense of the Claim, and, in any event, the Corporation and Indemnitee each shall keep the other informed as to the progress of the defense of the Claim, including prompt disclosure of any proposals for settlement; provided that if the Corporation is a party to the Claim and Indemnitee reasonably determines that there is a conflict between the positions of the Corporation and Indemnitee with respect to the Claim, then Indemnitee shall be entitled to conduct his defense with counsel of his choice; and provided further that Indemnitee shall in any event be entitled at his expense to employ counsel chosen by him to participate in the defense of the Claim; and

(ii) the Corporation shall fairly consider any proposals by Indemnitee for settlement of the Claim. If the Corporation proposes a settlement of the Claim and such settlement is acceptable to the person asserting the Claim or the Corporation believes a settlement proposed by the person asserting the Claim should be accepted, it shall inform Indemnitee of the terms of such proposed settlement and shall fix a reasonable date by which Indemnitee shall respond. If Indemnitee agrees to such terms, he shall execute such documents as shall be necessary to make final the settlement. If Indemnitee does not agree with such terms, Indemnitee may proceed with the defense of the Claim in any manner he chooses, provided that if Indemnitee is not successful on the merits or otherwise, the Corporation's obligation to indemnify such Indemnitee as to any Expenses incurred by following his disagreement shall be limited to the lesser of (A) the total Expenses incurred by Indemnitee following his decision not to agree to such proposed settlement or (B) the amount that the Corporation would have paid pursuant to the terms of the proposed settlement. If, however,

the proposed settlement would impose upon Indemnitee any requirement to act or refrain from acting that would materially interfere with the conduct of Indemnitee's affairs, Indemnitee shall be permitted to refuse such settlement and proceed with the defense of the Claim, if he so desires, at the Corporation's expense in accordance with the terms and conditions of this Agreement without regard to the limitations imposed by the immediately preceding sentence. In any event, the Corporation shall not be obligated to indemnify Indemnitee for an amount paid in settlement that the Corporation has not approved.

(g) In the case of a Claim involving a proposed, threatened or pending criminal proceeding, Indemnitee shall be entitled to conduct the defense of the Claim and to make all decisions with respect thereto, with counsel of his choice; provided that the Corporation shall not be obligated to indemnify Indemnitee for an amount paid in settlement that the Corporation has not approved.

(h) After notification to the Corporation of the existence of a Claim, Indemnitee may from time to time request of the Chief Executive Officer or, if the Chief Executive Officer is a party to the Claim as to which indemnification is being sought, any officer who is not a party to the Claim and who is designated by the Chief Executive Officer (the "Disbursing Officer"), which designation shall be made promptly after receipt of the initial request, that the Corporation advance to Indemnitee the Expenses (other than fines, penalties, judgments or amounts paid in settlement) that he incurs in pursuing a defense of the Claim prior to the time that the Determining Body determines whether the Standard of Conduct has been met. The Disbursing Officer shall pay to Indemnitee the amount requested (regardless of Indemnitee's apparent ability to repay the funds) upon receipt of an undertaking by or on behalf of Indemnitee to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation under the circumstances, provided that if the Disbursing Officer does not believe such amount to be reasonable, he shall advance the amount deemed by him to be reasonable and Indemnitee may apply directly to the Determining Body for the remainder of the amount requested.

(i) After a determination that the Standard of Conduct has been met, for so long as and to the extent that the Corporation is required to indemnify Indemnitee under this Agreement, the provisions of Paragraph (h) shall continue to apply with respect to Expenses incurred after such time except that (i) no undertaking shall be required of Indemnitee and (ii) the Disbursing Officer shall pay to Indemnitee the amount of any fines, penalties or judgments against him which have become final for which the Corporation is obligated to indemnify him or any

amount of indemnification ordered to be paid to him by a court.

(j) Any determination by the Corporation with respect to settlement of a Claim shall be made by the Determining Body.

(k) The Corporation and Indemnitee shall keep confidential to the extent permitted by law and their fiduciary obligations all facts and determinations provided pursuant to or arising out of the operation of this Agreement and the Corporation and Indemnitee shall instruct its or his agents and employees to do likewise.

9.3 Enforcement.

(a) The rights provided by this Section shall be enforceable by Indemnitee in any court of competent jurisdiction.

(b) If Indemnitee seeks a judicial adjudication of his rights under this Section, Indemnitee shall be entitled to recover from the Corporation, and shall be indemnified by the Corporation against, any and all Expenses actually and reasonably incurred by him in connection with such proceeding, but only if he prevails therein. If it shall be determined that Indemnitee is entitled to receive part but not all of the relief sought, then Indemnitee shall be entitled to be reimbursed for all Expenses incurred by him in connection with such proceeding if the indemnification amount to which he is determined to be entitled exceeds 50% of the amount of his claim. Otherwise, the Expenses sought incurred by Indemnitee in connection with such judicial adjudication shall be appropriately prorated.

(c) In any judicial proceeding described in this subsection, the Corporation shall bear the burden of proving that Indemnitee is not entitled to Expenses sought with respect to any Claim.

9.4 Saving Clause.

If any provision of this Section is determined by a court having jurisdiction over the matter to require the Corporation to do or refrain from doing any act that is in violation of applicable law, the court shall be empowered to modify or reform such provision so that, as modified or reformed, such provision provides the maximum indemnification permitted by law and such provision, as so modified or reformed, and the balance of this Section, shall be applied in accordance with their terms. Without limiting the generality of the foregoing, if any portion of this Section shall be invalidated on any ground, the Corporation shall nevertheless indemnify and Indemnitee to the full extent permitted by any applicable portion of this Section that shall not have been invalidated and to the full extent

permitted by law with respect to that portion that has been invalidated.

9.5 Non-Exclusivity.

(a) The indemnification and payment of Expenses provided by or granted pursuant to this Section shall not be deemed exclusive of any other rights to which Indemnitee is or may become entitled under any statute, article of incorporation, by-law, authorization of shareholders or directors, agreement or otherwise.

(b) It is the intent of the Corporation by this Section to indemnify and hold harmless Indemnitee to the fullest extent permitted by law, so that if applicable law would permit the Corporation to provide broader indemnification rights than are currently permitted, the Corporation shall indemnify and hold harmless Indemnitee to the fullest extent permitted by applicable law notwithstanding that the other terms of this Section would provide for lesser indemnification.

9.6 Successors and Assigns. This Section shall be binding upon the Corporation, its successors and assigns, and shall inure to the benefit of Indemnitee's heirs, personal representatives, and assigns and to the benefit of the Corporation, its successors and assigns.

9.7 Indemnification of Other Persons. The Corporation may indemnify any person not a director or officer of the Corporation to the extent authorized by the Board of Directors or a committee of the Board expressly authorized by the Board of Directors.

ARTICLE III

COMMITTEES

Section 1. Standing Committees:

The Board of Directors shall have six standing committees, the names, functions and powers of each of which shall be as follows:

A. The Executive Committee shall consist of not less than three Directors, one of whom shall be the CEO, who shall also serve as chairman of the Executive Committee. To the full extent permitted by law and the Articles of Incorporation, the Executive Committee shall have and may exercise all of the powers of the Board in the management of the business and affairs of the

Corporation when the Board is not in session.

B. The Compensation Committee shall consist of two or more Directors (the exact number of which shall be set from time to time by the Board), each of whom shall (i) be a "disinterested person" as defined under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) not serve, and shall not have served in the past, as an officer or employee of the Corporation or any of its subsidiaries. The Compensation Committee is empowered to:

1. after receiving and considering the recommendations of the chief executive officer, determine from time to time the salary of the Corporation's executive officers (as defined by Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended) and the fees of the Corporation's directors;

2. administer each of the Corporations incentive compensation plans and stock-based plans (including its 1983 Restricted Stock Plan, Key Employee Incentive Compensation Plan, 1988 Incentive Compensation Program, 1990 Incentive Compensation Program, and any successor plans), and exercise all powers provided for in such plans;

3. approve any (i) proposed plan or arrangement offering or providing any benefits to one or more of the Corporation's executive officers or directors (other than any plan or arrangement offering benefits that do not discriminate in scope, terms or operation in favor of executive officers or directors and that are generally available to all salaried employees) and (ii) proposed amendment or change to any such plan or arrangement;

4. approve any (i) proposed employment contract between the Corporation or one of its subsidiaries and an employee or prospective employee thereof and (ii) proposed amendment or extension of any such contract;

5. issue executive compensation reports to the Corporation's shareholders in the manner required under the rules and regulations of the U.S. Securities and Exchange Commission; and

6. if requested by the Board, (i) review, determine or approve the compensation of any non-executive officer of the Corporation or any officer of the Corporation's subsidiaries, (ii) review, determine or

approve any proposed amendments, contributions or changes to any of the Corporation's employee benefit plans, welfare plans, insurance or other benefit arrangements that are not directly administered or monitored by the Compensation Committee pursuant to the powers granted in paragraphs 2 and 3 above, and (iii) perform such other services as may be delegated to it by the Board; and

7. retain independent consultants and legal advisors who will report directly to the Committee and be paid with Company funds.

No action of the type described in paragraphs 1 - 5 above shall be valid unless it has been approved by the Compensation Committee.

C. The Nominating Committee shall consist of two or more Directors and shall perform the following functions:

1. To consider and recommend to the Board nominees for election by shareholders or for appointment by the remaining Directors to fill vacancies on the Board;

2. To review and consider the performance of and to recommend the appointment or reappointment of officers of the Corporation.

D. The Audit Committee shall consist of two or more Directors, none of whom shall otherwise be employed by the Corporation, and shall have the following responsibilities:

1. To recommend to the Board the engagement or discharge of the Company's independent auditor of its financial statements;

2. To direct and supervise all investigations into matters relating to or rising from the performance and results of each independent audit;

3. To review with the Company's independent auditor the plan and results of each independent audit engagement;

4. To review the scope, adequacy and results of the Company's internal auditing procedures;

5. To review and to approve or disapprove each service to be performed for the Company by the independent auditor before such service is performed; except that the Committee is

authorized to permit the President or the Chief Financial Officer to engage the independent auditor or perform any category of service specified by the Committee under circumstances deemed appropriate by the Audit Committee;

6. To review the degree of independence of the independent auditor;

7. To consider the range of audit and non-audit fees;

8. To review the adequacy of the Company's system of internal accounting controls.

E. The Insurance Evaluation Committee shall consist of two or more Directors, and shall have the following responsibilities:

1. To review periodically the Company's insurance programs and to advise and recommend any action deemed appropriate with respect thereto; and

2. To review periodically the Company's insurance needs and to advise and recommend any action deemed appropriate with respect thereto.

F. The Shareholder Relations Committee shall consist of three or more non officer directors and shall have the authority of the Board of Directors with respect to investigating, inquiring into and considering issues related to certain shareholders' interest and rights and considering and acting upon shareholder matters as assigned, from time to time, by the Chairman of the Board.

Section 2. Appointment and Removal of Committee Members.

Directors shall be appointed to or removed from a committee only upon the affirmative votes of:

1. A majority of the Directors then in office; and

2. A majority of the Continuing Directors (as defined in the Articles of Incorporation), voting as a separate group.

Section 3. Procedures for Committees.

Each committee shall keep written minutes of its meetings. All action taken by a committee shall be reported to the Board of Directors at its next meeting, whether regular or special.

Failure to keep written minutes or to make such a report shall not affect the validity of action taken by a committee. Each committee shall adopt such regulations (not inconsistent with the Articles of Incorporation, these bylaws or any regulations specified for such committee by the Board of Directors) as it shall deem necessary for the proper conduct of its functions and the performance of its responsibilities.

Section 4. Quorum Meetings.

A majority of the members of any committee shall constitute a quorum and action by a majority (or by any super majority required by law, the Articles of Incorporation, these Bylaws or any applicable resolution adopted by the Board of Directors) of a quorum at any meeting of a committee shall be deemed action by the committee. The committee may also take action without meeting, if all members thereof consent in writing thereto. Meetings of a committee may be held by telephone conference calls or other communications equipment provided each person participating may hear and be heard by all other meeting participants.

Section 5. Authority of Chairman to Appoint Committees.

Whenever the Board of Directors is not in session, the Chairman may create such committees as he deems necessary or useful and may appoint Directors as members thereof. Any such action by the Chairman, and any action taken by such a committee shall be subject to ratification or disapproval by the Board at its next meeting.

ARTICLE IV

SHAREHOLDERS' MEETINGS

Section 1. Place of Meetings.

Unless otherwise required by law or these By-laws, all meetings of the shareholders shall be held at the principal office of the Corporation or at such other place, within or without the State of Louisiana, as may be designated by the Board of Directors.

Section 2. Annual Meeting; Notice Thereof.

An annual meeting of the shareholders shall be held on the date and at the time specified by the Board of Directors in each year. Notice of the annual meeting must state the purpose thereof and the business to be conducted thereat shall be limited to such purpose or purposes.

Section 3. Election of Directors.

The Board of Directors shall be divided into three classes as nearly equal in number as may be possible. Any increase or decrease in the number of directors shall be apportioned by the Board of Directors so that all classes of directors shall be as nearly equal in number as can be. At each annual meeting of shareholders, directors shall be elected to succeed those directors whose terms then expire. Such newly elected directors shall serve until the third succeeding annual meeting of shareholders after their election and until their successors are elected and qualified. A director elected to fill a vacancy shall hold office for a term expiring at the annual meeting at which the term of the class to which he shall have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 4. Special Meeting.

Special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman of the Board, the President or Board of Directors. At any time, upon the written request of any shareholder or group of shareholders holding in the aggregate at least eighty percent (80%) of the Total Voting Power, as defined in Article IV, Section 8 of these By-laws, the Secretary shall call a special meeting of shareholders to be held at the registered office of the Corporation at such time as the Secretary may fix, not less than fifteen nor more than sixty days after the receipt of said request, and if the Secretary shall neglect or refuse to fix such time or to give notice of the meeting, the shareholder or shareholders making the request may do so. Such requests must state the specific purpose or purposes of the proposed special meeting, and the business to be conducted thereat shall be limited to such purpose or purposes.

Section 5. Notice of Meetings.

Except as otherwise provided by law, the authorized person or persons calling a shareholders' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all shareholders entitled to vote at such meeting, at least

ten days and not more than sixty days prior to the day fixed for the meeting.

Section 6. List of Shareholders.

At every meeting of shareholders, a list of shareholders entitled to vote, arranged alphabetically and certified by the Secretary or by the agent of the Corporation having charge of transfers of shares, showing the number and class of shares held by each shareholder on the record date for the meeting, shall be produced on the request of any shareholder.

Section 7. Quorum.

At all meetings of shareholders, the holders of a majority of the Total Voting Power, as defined in Article IV, Section 8 of these By-laws, shall constitute a quorum, except that at any meeting the notice of which sets forth any matter that, by law or the Articles of Incorporation of the Corporation, must be approved by the affirmative vote of a specified percentage in excess of a majority of the Total Voting Power of the Corporation, the holders of that specified percentage shall constitute a quorum.

Section 8. Voting.

When a quorum is present at any meeting, the vote of the holders of a majority of the Voting Power, as defined in Article IV, Section 8 of these By-laws, present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of law or the Articles of Incorporation of the Corporation, a different vote is required, in which case such express provision shall govern and control the decision of such question. Directors shall be elected by plurality vote. As used in these By-laws, the term "Voting Power" shall mean the right vested by law or by these By-laws or the Corporation's Articles of Incorporation in the shareholders or in one or more classes of shareholders, and the right conferred by the Corporation pursuant to La. R.S.12:75H upon the holders of any bonds, debentures or other obligations issued by the Corporation, to vote in the determination of a particular question or matter. As used in these By-laws, the term "Total Voting Power" shall mean the total number of votes that shareholders and holders of any bonds, debentures or other obligations granted voting rights by the Corporation are entitled to cast in the determination of a particular question or matter.

Section 9. Proxies.

At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person or by proxy appointed by an instrument in writing subscribed by such shareholder and bearing a date not more than eleven months prior to the meeting, unless the instrument provides for a longer period, but in no case will an outstanding proxy be valid for longer than three years from the date of its execution and in no case may a proxy be voted at a meeting called pursuant to La. R.S. 12:138 unless it is executed and dated by the shareholder within 30 days of the date of such meeting. The person appointed as proxy need not be a shareholder of the Corporation.

Section 10. Voting Power Present or Represented.

For purposes of determining the amount of Voting Power present or represented at any annual or special meeting of shareholders with respect to voting on a particular proposal, shares as to which the proxy holders have been instructed to abstain from voting on the proposal, and shares as to which the proxy holders have been precluded from voting thereon (whether by law, regulations of the Securities and Exchange Commission, rules or by-laws of any self-regulatory organization or otherwise) will not be treated as present.

Section 11. Adjournments.

Adjournments of any annual or special meeting of shareholders may be taken without new notice being given unless a new record date is fixed for other adjourned meeting, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors shall have been elected.

Section 12. Withdrawal.

If a quorum is present or represented at a duly organized meeting, such meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum as fixed in Article IV, Section 7 of these By-laws, or the refusal of any shareholders present to vote.

Section 13. Lack of Quorum.

If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and

place as they may determine, subject, however, to the provisions of Article IV, Section 10 hereof. In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in Article IV, Section 7 hereof, shall nevertheless constitute a quorum for the purpose of electing directors.

Section 14. Presiding Officer.

The Chairman of the Board, or in his absence, the President, shall preside at all shareholders' meetings.

ARTICLE V

CERTIFICATES OF STOCK

The certificates of stock of the Corporation shall be numbered and shall be entered into the books of the Corporation as they are issued.

They shall exhibit the holder's name and number of shares and shall be signed by the President or Vice-President and the Secretary-Treasurer.

ARTICLE VI

REGISTERED STOCKHOLDERS

The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Louisiana.

ARTICLE VII

LOSS OF CERTIFICATE

Any person claiming a certificate of stock to be lost or destroyed, shall make an affidavit or affirmation of that fact, and the Board of Directors may, in its discretion require the owner of the lost or destroyed certificate or his legal representative, to give the Corporation a bond, in such sum as the Board of Directors of the Corporation may require to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate; a new certificate of the same tenor and for the same number of shares as the one alleged to be lost or destroyed, may be issued without requiring any bond when, in the judgment of the directors, it is proper to do so.

ARTICLE VIII

CHECKS

All checks, drafts and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

ARTICLE IX

DIVIDENDS

Dividends upon the capital stock of the Corporation, subject to the provisions of the articles of incorporation if any, may be declared by the Board of Directors at any regular or special meetings, pursuant to law.

ARTICLE X

AMENDMENTS

These Bylaws may only be altered, amended or repealed as follows;

A. By the stockholders, but only upon the affirmative votes equivalent to those required by Subparagraph C.1(a) and (b) of Article VIII of the Articles of Incorporation; or

B. By the Board of Directors, but only upon the affirmative votes equivalent to those required by Subparagraph D.3(a) and

(9b) of Article VIII of the Articles of Incorporation.

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

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that this 1st day of June, 1993, before me, a Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

Century Telephone Enterprises, Inc. represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor and Employer, which hereby executes the following amendment to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, such amendment to be effective January 1, 1994.:

Delete the first sentence of Section 1.17 and insert the following in lieu thereof:

A computation period during which an Employee has completed at least one thousand (1000) Hours of Service.

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

WITNESSES

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Sandra B. Post

By /s/ R. Stewart Ewing, Jr.

/s/ Kay Buchart

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

/s/ Elvis C. Stout
Notary Public

ACCEPTANCE OF AMENDMENT BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 15th day of June, 1993,

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

FIRST AMERICAN BANK & TRUST OF LOUISIANA

which declared that it is appearing herein for the purpose of
accepting and it does hereby accept the amendment to the Century
Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust
adopted by the Settlor on June 1, 1993.

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

WITNESSES

FIRST AMERICAN BANK & TRUST OF
LOUISIANA

/s/ Ashley J. Akus

By /s/ William W. Keith
William W. Keith, Executive
Vice President and
Trust Officer

/s/ Linda G. Todd

/s/ Cathy M. Yelverton

Notary Public
AMENDMENTS TO THE

CENTURY TELEPHONE ENTERPRISES, INC.
STOCK BONUS PLAN, PAYSOP AND TRUST

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 10th day of June, 1993, before me, a Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

Century Telephone Enterprises, Inc., represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor and Employer, which hereby executes the following amendments to the Century Telephone Enterprises, Inc. Stock Bonus Plan, PAYSOP and Trust, such amendments to be effective April 9, 1993:

Add the following paragraph at the end of Section 1.7:

For employees of San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, who become participants in the Plan on or after June 20, 1993, Compensation for the Plan Year ending December 31, 1993 shall be recognized commencing as of the effective date of participation of each such employee pursuant to Section 2.1.

Add the following paragraph as Section 1.17(f):

(f) Service with San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, and any successors thereto by merger or otherwise, shall be counted for all purposes under this Plan.

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

me, Notary, after reading of the whole.

WITNESSES

CENTURY TELEPHONE ENTERPRISES, INC.

/s/ Linda Vaughn

By /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.

Senior Vice President and

Chief Financial Officer

/s/ Sherry Bowen

/s/ Kathy Tettleton

Notary Public

ACCEPTANCE OF AMENDMENTS BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 10th day of June, 1993,

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

FIRST AMERICAN BANK & TRUST OF LOUISIANA

which declared that it is appearing herein for the purpose of accepting and it does hereby

accept the amendments to the Century Telephone Enterprises, Inc.

Stock Bonus Plan, PAYSOP and Trust adopted by the Settlor on June

10, 1993.

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

WITNESSES

FIRST AMERICAN BANK & TRUST OF
LOUISIANA

/s/ Lisa K McGivney

By /s/ William W. Keith

William W. Keith, Executive

Vice President and Trust Officer

/s/ Ashley J. Akus

/s/ Cathy M. Yelverton
Notary Public

SECOND AMENDMENT TO COMPETITIVE ADVANCE
AND REVOLVING CREDIT FACILITY AGREEMENT

THIS AMENDMENT, effective as of February 10, 1992, is entered into by CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Borrower"), the banks listed on the signature page of this amendment (the "Banks"), and NATIONSBANK OF TEXAS, N.A., a national banking association, as agent for the Banks (in such capacity, the "Agent") and as auction administration agent (in such capacity, the "Auction Administration Agent").

The Borrower, the Banks, the Agent, and the Auction Administration Agent entered into the Competitive Advance and Revolving Credit Facility Agreement (as amended on April 8, 1993, and as further renewed, extended, amended, and supplemented, the "Credit Agreement") dated as of February 7, 1992, providing for the Banks to extend credit to the Borrower on a revolving credit basis, not to exceed an aggregate principal amount of \$55,000,000. The Borrower and the Banks, the Agent, and the Auction Administration Agent have agreed, upon the following terms and conditions, to amend the Credit Agreement to provide for, among other things, an increase in permitted sales of assets by any Company (as defined in the Credit Agreement). Accordingly, in consideration of the mutual agreements below, the Borrower and the Banks, the Agent, and the Auction Administration Agent agree as follows:

1. Certain Definitions. Unless otherwise stated, terms defined in the Credit Agreement have the same meanings when used in this amendment, and all references to "Sections," "Schedules," and "Exhibits" are to sections, schedules, and exhibits of or to the Credit Agreement.

2. Amendments. The Credit Agreement is amended as follows:

(a) Section 5.15 of the Credit Agreement is amended in its entirety as follows:

5.15 Sale of Assets. No Company will sell, lease, or otherwise dispose of all or any substantial part of its assets other than (a) sales of inventory in the ordinary course of business, (b) sales of equipment for a fair and adequate consideration, provided that if any such equipment is sold, and a replacement is necessary for the proper operation of the business of

such Company, such Company will replace such equipment with adequate equipment, (c) the exchange of assets -- other than equipment -- for similar assets of equal or greater value, (d) the sale, discount, or transfer of delinquent notes or accounts receivable in the ordinary course of business for purposes of collection, and (e) in any 12- month period, dispositions of assets (net of acquisitions of similar assets) that, when added to all other such dispositions by all Companies, do not exceed 10 percent of Consolidated Net Worth.

3. Conditions. This amendment shall not become effective until (a) all the parties named below shall have executed and delivered counterparts of this amendment to the Agent, and (b) the Agent shall have received all the agreements, documents, instruments, and other items listed on Annex A to this amendment.

4. Representations. The Borrower represents and warrants to the Banks, the Agent, and the Auction Administration Agent that (a) all representations and warranties stated in Section 3 of the Credit Agreement are true and correct in all material respects the same as if restated verbatim in this amendment as of the date of this amendment, and (b) as of the date of this amendment, no Material Adverse Effect, Default, or Event of Default has occurred and is continuing.

5. References. All references in the Loan Papers to the "Credit Agreement" shall refer to the Credit Agreement as amended by this amendment, and, because this amendment is a "Loan Paper" referred to in the Credit Agreement, the provisions relating to Loan Papers set forth in the Credit Agreement are incorporated in this amendment by reference, the same as if set forth in this amendment verbatim.

6. Scope of Amendment. Except as specifically amended and modified in this amendment, (a) the Credit Agreement is unchanged and continues in full force and effect, and (b) the Borrower hereby confirms and ratifies the existence of and each and every term, condition, and covenant contained in the Credit Agreement, to the same extent and as though the same were set out in full in this amendment.

7. Counterparts. This amendment has been executed in a number of identical counterparts, each of which shall be deemed an original. In making proof of this instrument, it shall not be necessary for any party to account for all counterparts, and it shall be sufficient for any party to produce but one such counterpart.

8. Parties Bound. This amendment shall be binding upon and shall inure to the benefit of the Borrower, each Bank, the

Agent, and Administrative Agent, and their respective successors and assigns subject to Section 9.20 of the Credit Agreement.

9. ENTIRETY. THIS AMENDMENT AND THE LOAN PAPERS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

EXECUTED on July 9, 1993, effective as of the date first stated.

CENTURY TELEPHONE ENTERPRISES, INC.,
as the Borrower

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

NATIONSBANK OF TEXAS, N.A., as the
Agent, the Auction Administration Agent,
and a Bank

By /s/ W.H. McClendon IV
Name:W. H. McClendon IV
Title:Vice President

TEXAS COMMERCE BANK,
NATIONAL ASSOCIATION,
as a Bank

By /s/ Robert C. Stack
Name:Robert C. Stack
Title:Executive Vice President

THE BANK OF NOVA SCOTIA, as
a Bank

By /s/ F.C.H. Ashby

ANNEX A

CONDITIONS

Unless otherwise specified, all documents are dated as of the date of this amendment

1. A CERTIFICATE from the president, secretary, chief financial officer, or treasurer of the Borrower certifying as to (a) the due incumbency of its officers authorized to execute or attest to the Loan Papers, (b) whether any changes to the corporate charter provided to Agent on February 7, 1992, have been made (and, if any changes have been made, copies of such changes), and (c) whether any changes to the Bylaws provided to Agent on June 14, 1993, have been made (and, if any changes have been made, copies of such changes), to which will be attached:

Exhibit A Changes to Charter, if any
Exhibit B Changes to Bylaws, if any

2. Such other agreements, documents, instruments, and items as any Bank may request.

CREDIT AGREEMENT

Dated as of

February 9, 1994

among

CENTURY TELEPHONE ENTERPRISES, INC.,

THE BANKS NAMED HEREIN,

and

NATIONSBANK OF TEXAS, N.A.,

as Agent

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CREDIT AGREEMENT

CREDIT AGREEMENT dated as of February 9, 1994, among CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Borrower"), the banks listed on the signature pages hereof (the "Banks"), NATIONSBANK OF TEXAS, N.A., a national banking association, as agent for the Banks (in such capacity, the "Agent").

The Borrower has requested the Banks to extend credit

to the Borrower in order to enable it to borrow in one advance a principal amount not in excess of \$90,000,000. The Banks are willing to extend such credit to the Borrower on the terms and conditions herein set forth. Accordingly, the Borrower, the Agent, and the Banks agree as follows:

SECTION 1. DEFINITIONS.

1.1 Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Adjusted Consolidated Net Worth" means, as of the date of determination, Consolidated Net Worth minus (i) deferred assets other than prepaid insurance, prepaid taxes, prepaid interest, extraordinary retirements, and deferred charges where such deferred charges are considered by Tribunals when setting rates, (ii) patents, copyrights, trademarks, trade names, franchises, experimental expense, goodwill (other than goodwill arising from the purchase of capital stock or assets of a Person engaged in the telephone or cellular mobile communications business) and similar intangible or intellectual property, and (iii) unamortized debt discount and expense (other than debt discount and expense of the Companies located in jurisdictions where such items are considered by Tribunals when setting rates).

"Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with another Person.

"Agent" is defined in the introduction to this Agreement.

"Agreement" means this Credit Agreement, as the same may be amended, supplemented, or modified from time to time.

"Applicable Lending Office" means, with respect to each Bank, such Bank's Domestic Lending Office in the case of a Base Loan or a CD Loan, and such Bank's Eurodollar Lending Office in the case of a Eurodollar Loan.

"Assessment Rate" means, with respect to any CD Loan, the actual (if known) or the estimated (if the actual rate is not known) per annum assessment rate (rounded upwards, if necessary, to the next higher 0.01%) payable by the Agent to The Federal Deposit Insurance Corporation (or any successor) for insuring liability for time deposits, as in effect from time to time.

"Banks" means those banks signatory hereto and other banks which from time to time become party hereto pursuant to the

provisions of this Agreement.

"Base CD Rate" has the meaning specified in the definition of Base Rate.

"Base Loan" means any Loan with respect to which the Borrower shall have selected an interest rate based on the Base Rate in accordance with the provisions of Section 2.

"Base Rate" means, for any date, a rate per annum (rounded upwards, if not already a whole multiple of 1/16 of 1%, to the next higher 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Base CD Rate in effect on such day plus 1% and (c) the Federal Funds Effective Rate in effect for such day plus 1/2 of 1%. For purposes hereof, the term "Prime Rate" means that rate of interest established from time to time by the Agent as its general reference rate of interest, after taking into account such factors as the Agent may from time to time, in its sole discretion, deem appropriate, it being understood, however, that the Agent may from time to time make various loans at rates of interest having no relationship to such general reference rate of interest. "Base CD Rate" shall mean the sum of (x) the product of (i) the Average Weekly Three-Month Secondary CD Rate and (ii) Statutory Reserves and (y) the Assessment Rate. "Average Weekly Three-Month Secondary CD Rate" means the secondary market rate ("Secondary CD Rate") for three-month certificates of deposit (secondary market) of major United States money market banks for the most recent weekly period ending Friday reported in the Federal Reserve Statistical release entitled "Selected Interest Rates" (currently publication H.15) or any successor publication released during the week for which the Secondary CD Rate is being determined. The Secondary CD Rate so reported shall be in effect, for the purpose of this definition, for each day of the week in which the release date of such publication occurs. If such publication or a substitute containing the foregoing rate information is not published by the Board for any week, such average rate shall be determined by the Agent on the first Business Day of the week succeeding such week for which such rate information is not published on the basis of bids quoted to the Agent by three New York City negotiable certificate of deposit dealers of recognized standing for secondary market morning offerings of negotiable certificates of deposit of major United States money market banks with maturities of three months. Any change in the Base Rate due to a change in the Average Weekly Three-Month Secondary CD Rate shall be effective on the effective date of such change in the Average Weekly Three-Month Secondary CD Rate. "Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds

brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Agent from three federal funds brokers of recognized standing selected by it. Any change in the Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate. If for any reason the Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain both the Base CD Rate and the Federal Funds Effective Rate for any reason, including, without limitation, the inability or failure of the Agent to obtain sufficient bids or publications in accordance with the terms hereof, the Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist.

"Board" means the Board of Governors of the Federal Reserve System of the United States.

"Borrower" is defined in the introduction to this Agreement.

"Borrowing" means simultaneous Loans from each Bank.

"Borrowing Date" means the Business Day upon which the proceeds of the Loans are to be made available to the Borrower, but not later than February 17, 1994, and any subsequent date that such Loans are refinanced pursuant to Section 2.3.

"Business Day" means a day when the Agent and each Bank are open for business, and if the applicable Business Day relates to any Eurodollar Loan, a day on which dealings are carried on in the Eurodollar Interbank Market and commercial banks are open for domestic or international business in London, England, in New York, New York, and in Dallas, Texas.

"CD Loans" means Loans which bear interest at the CD Rate.

"CD Rate" means a rate determined pursuant to the following formula:

$(\text{Derivation CD Rate} \times \text{Statutory Reserves}) + \text{Assessment Rate}$

"Code" means the Internal Revenue Code of 1986, as amended, together with rules and regulations promulgated thereunder.

"Companies" means, collectively, Borrower and its Subsidiaries and "Company" means any of the same.

"Consolidated Net Worth" means, as of the date of determination, the amount of stated capital plus (or minus, in

the case of a deficit) the capital surplus and earned surplus of the Companies, as calculated in accordance with GAAP (but treating Minority Interests in Subsidiaries as liabilities and excluding the contra-equity account resulting from the Borrower's obligations under its employee stock ownership plan commitments). For purposes of this Agreement, Consolidated Net Worth shall exclude the effect of Statement No. 106 of the Financial Accounting Standards Board.

"Current Date" means any date after January 1, 1994.

"Current Financials" means the consolidated Financial Statements of the Companies for the fiscal year ended December 31, 1992, and the fiscal quarter ended September 30, 1993.

"Debt" of any Person means, from time to time and without duplication, all indebtedness, liabilities, and obligations of such Person (including, without limitation, indebtedness, liabilities, and obligations secured by any assets of such Person regardless whether such Person has assumed the liability so secured), whether or not considered as liabilities according to GAAP and whether matured or unmatured, liquidated or unliquidated, primary or secondary, direct or indirect, or absolute, fixed, or contingent.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, fraudulent transfer or conveyance, suspension of payments, or similar Laws from time to time in effect affecting the Rights of creditors generally.

"Default" means the occurrence of any event which with the giving of notice or the passage of time or both would become an Event of Default.

"Default Rate" means an annual interest rate equal to the lesser of (a) 2% plus the Base Rate and (b) the Highest Lawful Rate.

"Derivation CD Rate" means, for any Interest Period for any CD Loan, the per annum rate of interest quoted to the Agent on the first day of such Interest Period by certificate of deposit dealers of recognized standing for the purchase at face value in the secondary market of certificates of deposit of the Agent maturing on the last day of such Interest Period and in amounts similar to such CD Loan.

"Domestic Lending Office" means, with respect to any Bank, the office of such Bank specified as its "Domestic Lending Office" on Schedule 1 to this Agreement or such other office of

such Bank as such Bank may from time to time specify to the Borrower and the Agent.

"EBIT" means, for the applicable period, net income before Tax expense and interest expense and excluding the effects of nonrecurring and/or unusual non-cash transactions that reduce net income and items that do not reduce the cash flow of the Companies (e.g., write-off of intangibles, write-down of assets, effects of new accounting pronouncements, etc.).

"Eligible Assignee" means (i) a commercial bank organized under the Laws of the United States, or any state thereof, and having total assets in excess of \$1,000,000,000; (ii) a commercial bank organized under the Laws of any other country which is a member of the OECD, or a political subdivision of any such country, and having total assets in excess of \$1,000,000,000; provided that such bank is acting through a branch or agency located in the country in which it is organized or another country which is also a member of the OECD; and (iii) the central bank of any country which is a member of the OECD.

"Environmental Law" means any Law that relates to the environment or handling or control of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder.

"ERISA Affiliate" means any company or trade or business (whether or not incorporated) which is a member of a group of which Borrower is a member and which is under common control with Borrower within the meaning of section 414 of the Code.

"Eurocurrency Liabilities" is defined in Regulation D.

"Eurodollar Interbank Market" means the eurodollar interbank market selected by the Agent in its sole discretion, acting in good faith.

"Eurodollar Lending Office" means, with respect to each Bank, the branches or affiliates of such Bank which such Bank has designated on Schedule 1 as its "Eurodollar Lending Office" or may hereafter designate from time to time as its "Eurodollar Lending Office" by notice to the Borrower and the Agent.

"Eurodollar Loan" means any Loan with respect to which the Borrower shall have selected an interest rate based on the LIBO Rate in accordance with the provisions of Section 2.

"Event of Default" means any of the events described in Section 6, provided there has been satisfied any requirement in

connection therewith for the giving of notice, lapse of time, or happening of any further condition, event, or act.

"Federal Funds Effective Rate" has the meaning specified in the definition of Base Rate.

"Financial Report Certificate" means a certificate substantially in the form of Exhibit D.

"Financial Statements" means balance sheets, profit and loss statements, statements of capital and surplus, and statements of cash flow prepared in comparative form to the corresponding period of the preceding fiscal year.

"Funded Debt" shall mean and include, as of any date as of which the amount thereof is to be determined, (i) all funded indebtedness of the Companies, (ii) all funded indebtedness of any Subsidiary (other than funded indebtedness of such Subsidiary owing to the Borrower or another Subsidiary), and (iii) all indebtedness for borrowed money, but not (iv) indebtedness secured by the cash surrender value of life insurance policies up to the amount of such cash surrender value.

"GAAP" means generally accepted accounting principles of the Accounting Principles Board of the American Institute of Certified Public Accountants and the Financial Accounting Standards Board which are applicable as of the date of the Financial Statements in question.

"Hazardous Substance" means any hazardous or toxic waste, pollutant, contaminant, or substance.

"Highest Lawful Rate" means at the particular time in question the maximum rate of interest which, under applicable Law, the Banks are then permitted to charge the Borrower on the Obligation. If the maximum rate of interest which, under applicable Law, the Banks are permitted to charge the Borrower on the Obligation shall change after the date hereof, the Highest Lawful Rate shall be automatically increased or decreased, as the case may be, as of the effective time of such change without notice to the Borrower.

"Interest Payment Date" means with respect to any Base Loan, Eurodollar Loan, or CD Loan, the last day of the Interest Period applicable thereto and, in addition in the case of a Eurodollar Loan, CD Loan, or Base Loan with an Interest Period longer than three months or 90 days, as applicable, each day that would have been the Interest Payment Date for such Loan had an Interest Period of three months or 90 days, respectively, been applicable to such Loan.

"Interest Period" means, with respect to each Loan, the duration of such Loan and:

(i) as to any Eurodollar Loan, the period commencing on the date of such Loan and ending on the numerically corresponding day (or if there is no corresponding day, the last day) in the calendar month that is one, two, three, or six months thereafter, as the Borrower may elect;

(ii) as to any CD Loan, the period commencing on the date of such Loan and ending 30, 60, 90, or 180 days thereafter; and

(iii) as to any Base Loan, the period commencing on the date of such Loan and ending not later than 90 days later or, if earlier, on the Maturity Date, or the date of prepayment of such Loan;

provided, that (x) if any Interest Period would end on a day which shall not be a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, with respect to Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, and (y) no Interest Period may be selected that ends later than the Maturity Date. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"Laws" means all applicable statutes, laws, treaties, ordinances, rules, regulations, orders, writs, injunctions, decrees, judgments, or opinions of any Tribunal.

"LIBO Rate" means the rate (rounded upwards, if not already a whole multiple of 1/16 of 1%, to the next higher 1/16 of 1%) equal to the annual rate of interest at which dollar deposits approximately equal to the principal amount of the applicable Eurodollar Loan and with a maturity equal to the applicable Interest Period are offered in immediately available funds to the principal office of the Agent in London, England (or if the Agent does not at the time any such determination is made maintain an office in London, England, the principal office of any Affiliate of the Agent in London, England), at 11:00 a.m., London time (or as soon thereafter as practicable), two Business Days before the first day of such Interest Period.

"Lien" means any lien, mortgage, security interest, pledge, assignment, charge, title retention agreement, or encumbrance of any kind, and any other Right of or arrangement with any creditor to have his claim satisfied out of any property or assets, or the proceeds therefrom, prior to the general creditors of the owner

thereof.

"Litigation" means any action conducted, pending, or threatened by or before any Tribunal.

"Loan" means a Eurodollar Loan, a CD Loan, or a Base Loan made by a Bank to the Borrower hereunder.

"Loan Papers" means (i) this Agreement, certificates delivered pursuant to this Agreement, and exhibits and schedules hereto, (ii) any notes, security documents, guaranties, and other agreements in favor of the Agent or the Banks ever delivered in connection with this Agreement, and (iii) all renewals, extensions, or restatements of, or amendments or supplements to, any of the foregoing.

"Majority Banks" means at any time Banks holding at least 66-2/3% of the then aggregate unpaid principal amount of the Loans.

"Material Adverse Effect" means any set of one or more circumstances or events which, individually or collectively, will result in any of the following (a) a material and adverse effect upon the validity or enforceability of any Loan Paper, (b) a material and adverse effect on the consolidated financial condition of the Companies represented in the latter of the Current Financials or the most recent audited consolidated Financial Statements, (c) a Default or (d) the issuance of an accountant's report on the Companies' consolidated Financial Statements containing an explanatory paragraph about the entity's ability to continue as a going concern (as defined in accordance with Generally Accepted Auditing Standards).

"Material Agreement" of any Person means any material written or oral agreement, contract, commitment, or understanding to which such Person is a party, by which such Person is directly or indirectly bound, or to which any assets of such Person may be subject, and which is not cancelable by such Person upon 30 days or less notice without liability for further payment other than nominal penalty, and which requires such Person to pay more than 1 percent of Consolidated Net Worth during any 12-month period.

"Maturity Date" means September 30, 1994.

"Minority Interest" means, with respect to any Subsidiary, an amount determined by valuing preferred stock held by Persons other than the Borrower and its wholly-owned Subsidiaries at the voluntary or involuntary liquidating value of such preferred stock, whichever is greater, and by valuing common stock or partnership interests held by Persons other than the Borrower and

its wholly-owned Subsidiaries at the book value of capital and surplus applicable thereto on the books of such Subsidiary adjusted, if necessary, to reflect any changes from the book value of common stock required by the foregoing method of valuing Minority Interest attributable to preferred stock.

"Multiemployer Plan" means a multiemployer plan as defined in sections 3(37) or 4001(a)(3) of ERISA or section 414 of the Code to which any Company or any ERISA Affiliate is making, or has made, or is accruing, or has accrued, an obligation to make contributions.

"Note" means a promissory note of the Borrower payable to the order of Bank, in substantially the form of Exhibit B hereto, with the blanks appropriately completed, together with all modifications, extensions, renewals, and rearrangements thereof.

"Notice of Borrowing" is defined in Section 2.2.

"Obligation" means all present and future indebtedness, obligations, and liabilities, and all renewals, extensions, and modifications thereof, owed to the Agent or the Banks by the Borrower, arising pursuant to any Loan Paper, together with all interest thereon and costs, expenses, and attorneys' fees incurred in the enforcement or collection thereof.

"OECD" means the Organization for Economic Cooperation and Development (or any successor).

"Participant" is defined in Section 9.20(b).

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereof, established pursuant to ERISA.

"Permitted Liens" means the Liens described on Schedule 2.

"Person" means and includes an individual, partnership, joint venture, corporation, trust, Tribunal, unincorporated organization, or government, or any department, agency, or political subdivision thereof.

"Plan" means any plan defined in Section 4021(a) of ERISA in respect of which the Borrower is an "employer" or a "substantial employer" as such terms are defined in ERISA.

"Prime Rate" has the meaning specified in the definition of Base Rate.

"Purchaser" is defined in Section 9.20(c).

"Regulation D" means Regulation D of the Board, as the same is from time to time in effect, and all official rulings and

interpretations thereunder or thereof.

"Rights" means rights, remedies, powers, and privileges.

"Significant Subsidiary" means a Subsidiary of the Borrower (i) the assets of which equal or exceed 5% of all assets of the Borrower and its Subsidiaries as shown on a consolidated balance sheet of the Borrower and its Subsidiaries, (ii) the operating revenue of which, for the most recently ended period of twelve consecutive months, equals or exceeds 5% of the operating revenues of the Borrower and its Subsidiaries for such period, or (iii) the net income of which, for the most recently ended period of twelve consecutive months, equals or exceeds 5% of the net income of the Borrower and its Subsidiaries for such period.

"Solvent" means, as to any Person at the time of determination, that (a) the aggregate fair value of such Person's assets exceeds the present value of its liabilities (whether contingent, subordinated, unmatured, unliquidated, or otherwise), and (b) such Person has sufficient cash flow to enable it to pay its Debts as they mature.

"Statutory Reserves" means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including, without limitation, any marginal, special, emergency, or supplemental reserves), expressed as a decimal, established by the Board and any other banking authority to which any of the Banks is subject with respect to the CD Rate, for new negotiable time deposits in dollars of over \$100,000 with maturities approximately equal to the applicable Interest Period. Such reserve percentages shall include, without limitation, those imposed under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"Subsidiary" means any Person with respect to which Borrower or any one or more Subsidiaries owns directly or indirectly 50% or more of the issued and outstanding voting stock (or equivalent interests).

"Taxes" means all taxes, assessments, fees, or other charges at any time imposed by any Laws or Tribunal.

"Tribunal" means any municipal, state, commonwealth, federal, foreign, territorial, or other court, governmental body, subdivision, agency, department, commission, board, bureau, or instrumentality.

"United States" and "U.S." each means United States of America.

SECTION 2. LOANS.

2.1 Agreement to Lend. Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Bank, severally and not jointly, agrees to make a Loan to the Borrower in a single advance on the Borrowing Date in the amount indicated next to its name on Schedule 1.

2.2 Borrowing Procedure. In order to effect a Borrowing, the Borrower shall hand deliver, telex, or telecopy to the Agent a duly completed request for Borrowing, substantially in the form of Exhibit A hereto (a "Notice of Borrowing"), (i) in the case of Eurodollar Loans and CD Loans, not later than 11:00 a.m., Dallas, Texas time, two Business Days before the Borrowing Date specified for the Borrowing, and (ii) in the case of Base Loans, not later than 11:00 a.m., Dallas, Texas time, on the Business Day which is the Borrowing Date specified for a proposed Borrowing. Such notice shall be irrevocable and shall in each case refer to this Agreement and specify (x) whether the Loans then being requested are to be Eurodollar Loans, CD Loans, or Base Loans, (y) the Borrowing Date of such Loans (which shall be a Business Day) and the aggregate amount thereof (which shall not be less than \$500,000 and shall be an integral multiple of \$100,000), and (z) the Interest Period with respect thereto (which shall not end later than the Maturity Date). If no Interest Period with respect to any Eurodollar Loan or CD Loan is specified in any such Notice of Borrowing, then in the case of a Eurodollar Loan, the Borrower shall be deemed to have selected an Interest Period of one month's duration, and in the case of a CD Loan, the Borrower shall be deemed to have selected an Interest Period of 30 days' duration. Promptly, and in any event on the same day the Agent receives a Notice of Borrowing pursuant to this Section 2.2, the Agent shall advise the other Banks of such Notice of Borrowing and of each Bank's portion of the requested Borrowing by telex or telecopier. Each Borrowing shall consist of Loans of the same type made as of the same day and having the same Interest Period.

2.3 Refinancings. The Borrower may refinance all or any part of any Loan with a Loan of the same or a different type made pursuant to Section 2.2, subject to the conditions and limitations set forth herein and elsewhere in this Agreement. Any Loan or part thereof so refinanced shall be deemed to be repaid with the proceeds of a new Borrowing hereunder and the proceeds of the new Loan.

2.4 Loans. (a) Each Borrowing made by the Borrower on any date shall be in the case of Loans, in an integral multiple of \$100,000 and in a minimum aggregate principal amount of \$500,000.

Loans shall be made by the Banks ratably in accordance with their respective amounts on Schedule 1; provided, however, that the failure of any Bank to make any Loan shall not in itself relieve any other Bank of its obligation to lend hereunder. The initial Loan by each Bank shall be made against delivery to such Bank of an appropriate Note, respectively, payable to the order of such Bank, as referred to in Section 2.5.

(b) Each Loan shall be a Eurodollar Loan, a CD Loan, or a Base Loan, as the Borrower may request subject to and in accordance with Section 2.2 or Section 2.3, as applicable. Each Bank may at its option make any Eurodollar Loan by causing a foreign branch of such Bank to make such Loan; provided, however, that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of the applicable Note and this Agreement. Loans of more than one interest rate option may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Loan which, if made, would result in an aggregate of more than 10 separate Borrowings being outstanding hereunder at any one time. For purposes of the foregoing, Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans.

(c) Each Bank shall make its portion of each Borrowing on the initial Borrowing Date thereof by paying the amount required to the Agent in Dallas, Texas in immediately available funds not later than 12:00 noon, Dallas, Texas time, and the Agent shall by 2:00 p.m., Dallas, Texas time, credit the amounts so received to the general deposit account of the Borrower with the Agent or, if Loans are not made on such date because any condition precedent to the initial Borrowing herein specified shall not have been met, return the amounts so received to the respective Banks as soon as practicable; provided, however, if and to the extent the Agent fails to return any such amounts to a Bank on the initial Borrowing Date, the Agent shall pay interest on such unreturned amounts, for each day from the initial Borrowing Date to the date such amounts are returned to such Bank, at the Federal Funds Effective Rate.

2.5 Notes. The Loans made by each Bank shall be evidenced by a single Note, payable to the order of such Bank in a principal amount equal to that next to its name on Schedule 1. The outstanding principal balance of each Loan, as evidenced by the relevant Note, shall be payable on the last day of the Interest Period applicable to such Loan. Each Note shall bear interest from the date thereof on the outstanding principal balance thereof as set forth in Section 2.6 and Section 2.7.

2.6 Interest on Loans. (a) Subject to the provisions of Section 2.7, each Eurodollar Loan shall bear interest at a rate

per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the lesser of (i) the Highest Lawful Rate and (ii) the LIBO Rate for the Interest Period in effect for such Loan plus 3/8 of 1% per annum. Interest on each Eurodollar Loan shall be payable on each Interest Payment Date applicable thereto. The applicable LIBO Rate for each Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

(b) Subject to the provisions of Section 2.7, each CD Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the lesser of (i) the Highest Lawful Rate and (ii) the CD Rate for the Interest Period in effect for such Loan, plus 1/2 of 1% per annum. Interest on each CD Loan shall be payable on each Interest Payment Date applicable thereto. The applicable CD Rate for each Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

(c) Subject to the provisions of Section 2.7, each Base Loan shall bear interest at the rate per annum (computed on the basis of the actual number of days elapsed over a year of (x) 365 or 366 days, as the case may be if the Base Rate is based on the Prime Rate or (y) 360 days if the Base Rate is based on the Base CD Rate or the Federal Funds Effective Rate) equal to the lesser of (i) the Highest Lawful Rate and (ii) the Base Rate. Interest on each Base Loan shall be payable on each Interest Payment Date applicable thereto. The applicable Base Rate during each Interest Period shall be determined by the Agent, and such determination shall be conclusive absent manifest error.

2.7 Interest on Overdue Amounts. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, the Borrower shall on demand from time to time pay interest, to the extent permitted by Law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum equal to the lesser of (i) the Highest Lawful Rate and (ii) the Default Rate.

2.8 Alternate Rate of Interest. (a) In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Loan, the Agent in good faith shall have determined that dollar deposits in the amount of the requested principal amount of such Eurodollar Loan are not generally available in the Eurodollar Interbank Market, or that dollar deposits of such Eurodollar Loan are not generally available in the Eurodollar Interbank Market for the requested Interest Period, or that the rate at which such dollar deposits are being offered will not adequately and fairly reflect

the cost to any Bank of making or maintaining such Eurodollar Loan during such Interest Period, or that reasonable means do not exist for ascertaining the LIBO Rate, the Agent shall, as soon as practicable thereafter, give written or telex notice of such determination, stating the specific reasons therefor, to the Borrower and the Banks. In the event of any such determination, any request by the Borrower for a Eurodollar Loan shall, until the circumstances giving rise to such notice no longer exist, be deemed to be a request for a Base Loan. Each determination by the Agent hereunder shall be conclusive absent manifest error.

(b) In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a CD Loan, the Agent in good faith shall have determined that dollar deposits in the amount of the requested principal amount of such CD Loan are not generally available in the secondary certificate of deposit market, or that dollar deposits of such CD Loan are not generally available in the secondary certificate of deposit market for the requested Interest Period, or that the rate at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining such CD Loan during such Interest Period, or that reasonable means do not exist for ascertaining the CD Rate, the Agent shall, as soon as practicable thereafter, give written or telex notice of such determination, stating the specific reasons therefor, to the Borrower and the Banks. In the event of any such determination, any request by the Borrower for a CD Loan shall, until the circumstances giving rise to such notice no longer exist, be deemed to be a request for a Base Loan. Each determination by the Agent hereunder shall be conclusive absent manifest error.

2.9 Prepayment of Loans. (a) Prior to the Maturity Date, the Borrower shall have the right at any time to prepay any Borrowing, in whole or in part, subject to the requirements of Section 2.12 but otherwise without premium or penalty, but prepayment of Eurodollar Loans and CD Loans shall require at least five Business Days prior written or telex notice to the Agent; provided, however, that each such partial prepayment shall be in an integral multiple of \$100,000 and in a minimum aggregate principal amount of \$100,000. Each notice of prepayment shall specify the prepayment date and the aggregate principal amount of each Borrowing to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein.

(b) All prepayments under this Section 2.9 shall be accompanied by accrued interest on the principal amount being prepaid to the date of prepayment.

2.10 Reserve Requirements; Change in Circumstances. (a)

Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable Law or regulation or in the interpretation or administration thereof by any Tribunal charged with the interpretation or administration thereof (whether or not having the force of Law) (i) shall change the basis of taxation of payments to any Bank of the principal of or interest on any Eurodollar Loan or CD Loan made by such Bank or any other fees or amounts payable hereunder (other than (x) Taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein (or any Tax which is enacted or adopted by such jurisdiction, political subdivision, or taxing authority as a direct substitute for any such Taxes) or (y) any Tax, assessment, or other governmental charge that would not have been imposed but for the failure of any Bank to comply with any certification, information, documentation, or other reporting requirement), (ii) shall impose, modify, or deem applicable any reserve, special deposit, or similar requirement against assets of, deposits with or for the account of, or credit extended by, such Bank, or (iii) shall impose on such Bank or the Eurodollar Interbank Market any other condition affecting this Agreement or any Eurodollar Loan or CD Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of maintaining its Loans or of making or maintaining any Eurodollar Loan or CD Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest, or otherwise) in respect thereof by an amount deemed in good faith by such Bank to be material, then the Borrower shall pay to the Agent for the account of such Bank such additional amount or amounts as will compensate such Bank for such increase or reduction to such Bank upon demand by such Bank (through the Agent). Notwithstanding the foregoing, in no event shall any Bank be permitted to receive any compensation hereunder constituting interest in excess of the Highest Lawful Rate.

(b) If any Bank shall have determined in good faith that the adoption of any applicable law, rule, regulation, or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Tribunal, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or any lending office of such Bank) with any request or directive regarding capital adequacy (whether or not having the force of Law) of any such authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital as a consequence of its obligations hereunder to a level below that which such Bank could have achieved but for such adoption, change, or compliance (taking into consideration such Bank's policies with respect to capital adequacy) by an amount deemed by such Bank to be material, then

from time to time, the Borrower shall pay to the Agent for the account of such Bank such additional amount or amounts as will compensate such Bank for such reduction upon demand by such Bank (through the Agent). Notwithstanding the foregoing, in no event shall any Bank be permitted to receive any compensation hereunder constituting interest in excess of the Highest Lawful Rate.

(c) A certificate of a Bank setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Bank as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts under clause (a) (i), shall be delivered to the Borrower (with a copy to the Agent) promptly after such Bank determines it is entitled to compensation under this Section 2.10, and shall be conclusive and binding absent manifest error. The Borrower shall pay to the Agent for the account of such Bank the amount shown as due on any such certificate within 15 days after its receipt of the same. In preparing such certificate, such Bank may employ such assumptions and allocations of costs and expenses as it shall in good faith deem reasonable and may use any reasonable averaging and attribution method.

(d) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Bank's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.10 shall be available to each Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation, or condition which shall have been imposed, provided that, in the event such law, regulation or condition is subsequently determined to be invalid or inapplicable, bank shall promptly repay compensation to Borrower.

(e) In the event any Bank shall seek compensation pursuant to this Section 2.10, the Borrower may give notice to such Bank (with copies to the Agent) that it wishes to seek one or more Eligible Assignees (which may be one or more of the Banks) to assume the obligations hereunder of such Bank and to purchase its outstanding Loans and Notes. Each Bank requesting compensation pursuant to this Section 2.10 agrees to sell its obligations hereunder, Loans, Notes, and interest in this Agreement and the other Loan Papers to any such Eligible Assignee for an amount equal to the sum of the outstanding unpaid principal of and accrued interest on such Loans and Notes plus all other fees and amounts (including, without limitation, any compensation claimed by such Bank under this Section 2.10 which

has accrued prior to the purchase of the Notes and as to which such Bank has delivered the certificate required by Section 2.10(c) on or before the date such obligations, Loans, and Notes are purchased) due such Bank hereunder calculated, in each case, to the date such obligations, Loans, Notes, and interest are purchased, whereupon such Bank shall have no further obligations or other obligation to the Borrower hereunder or under any other Loan Paper.

(f) Without prejudice to the survival of any other obligations of the Borrower hereunder, the obligations of the Borrower under this Section 2.10 shall survive for one year after the termination of this Agreement and/or the payment or assignment of any of the Notes.

2.11 Change in Legality. (a) Notwithstanding anything to the contrary herein contained, if any change in any Law or regulation or in the interpretation thereof by any Tribunal charged with the administration or interpretation thereof shall make it unlawful for any Bank to make or maintain any Eurodollar Loan or CD Loan or to give effect to its obligations as contemplated hereby, then, by written notice to the Borrower and to the Agent, such Bank may:

(i) declare that Eurodollar Loans or CD Loans, as the case may be, will not thereafter be made by such Bank hereunder, whereupon the Borrower shall be prohibited from requesting Eurodollar Loans or CD Loans, as the case may be, from such Bank hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding Eurodollar Loans or CD Loans, as the case may be, made by it be converted to Base Loans, in which event (A) all such Eurodollar Loans or CD Loans, as the case may be, shall be automatically converted to Base Loans as of the effective date of such notice as provided in paragraph (b) below and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted Eurodollar Loans or CD Loans, as the case may be, shall instead be applied to repay the Base Loans resulting from the conversion of such Eurodollar Loans or CD Loans, as the case may be.

(b) For purposes of this Section 2.11, a notice to the Borrower (with a copy to the Agent) by any Bank pursuant to paragraph (a) above shall be effective on the date of receipt thereof by the Borrower.

2.12 Indemnity. The Borrower shall indemnify each Bank against any loss or reasonable expense which such Bank may sustain or incur as a consequence of (a) any failure by the

Borrower to borrow hereunder after the initial Notice of Borrowing pursuant to Section 2 has been given, (b) any payment, prepayment, or conversion, other than conversions under Section 2.11(a)(ii), of a Eurodollar Loan or CD Loan required by any other provision of this Agreement or otherwise made on a date other than the last day of the applicable Interest Period, (c) any default in the payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by notice of prepayment, or otherwise), or (d) the occurrence of any Event of Default. The indemnity of the Borrower pursuant to the immediately preceding sentence shall include, but not be limited to, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a Eurodollar Loan or CD Loan. Such loss or reasonable expense shall include, without limitation, an amount equal to the excess, if any, as reasonably determined in good faith by each Bank of (i) its cost of obtaining the funds for the Loan being paid, prepaid, or converted or not borrowed (based on the LIBO Rate or CD Rate) for the period from the date of such payment, prepayment, or conversion or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in reemploying the funds so paid, prepaid, or converted or not borrowed for such period or Interest Period, as the case may be. A certificate of each Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section 2.12 shall be delivered to the Borrower (with a copy to the Agent) and shall be conclusive, if made in good faith, absent manifest error. The Borrower shall pay to the Agent for the account of each Bank the amount shown as due on any certificate within 30 days after its receipt of the same. Notwithstanding the foregoing, in no event shall any Bank be permitted to receive any compensation hereunder constituting interest in excess of the Highest Lawful Rate. Without prejudice to the survival of any other obligations of the Borrower hereunder, the obligations of the Borrower under this Section 2.12 shall survive for one year after the termination of this Agreement and/or the payment or assignment of any of the Notes.

2.13 Pro Rata Treatment. (a) Each payment or prepayment of principal and each payment of interest with respect to a Borrowing shall be made pro rata among the Banks in accordance with the respective principal amounts of the Loans extended by each Bank with respect to such Borrowing, and (b) refinancings of Loans shall be made pro rata among the Banks in accordance with such respective principal amounts.

2.14 Sharing of Setoffs. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff, or counterclaim against the Borrower, including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Bank under any applicable Debtor Relief Law or otherwise, obtain payment (voluntary or involuntary) in respect of the Note held by it (other than pursuant to Section 2.10 or Section 2.12) as a result of which the unpaid principal portion of the Note held by it shall be proportionately less than the unpaid principal portion of the Note held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in the Note held by such other Bank, so that the aggregate unpaid principal amount of the Note and participations in Notes held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all Notes then outstanding as the principal amount of the Note held by it prior to such exercise of banker's lien, setoff, or counterclaim was to the principal amount of all Notes outstanding prior to such exercise of banker's lien, setoff, or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.14 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Note deemed to have been so purchased may, upon the existence of an Event of Default, exercise any and all rights of banker's lien, setoff, or counterclaim with respect to any and all moneys owing by the Borrower to such Bank as fully as if such Bank had made a Loan directly to the Borrower in the amount of such participation.

2.15 Payments. (a) The Borrower shall make each payment hereunder and under any instrument delivered hereunder not later than 1:00 p.m. (Dallas, Texas time) on the day when due in dollars to the Agent at its address referred to on Schedule 1 for the account of the Banks, in immediately available funds. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal of or interest on Loans (other than pursuant to Section 2.10 and Section 2.12) ratably to the Banks payable to any Bank for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(b) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day,

and such extension of time shall in all such case be included in the computation of payment of interest; provided, however, if such extension would cause payment of interest on or principal of a Eurodollar Loan to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(c) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made or will make such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent the Borrower shall not have so made such payment in full to the Agent, each Bank shall repay to the Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent, at the Federal Funds Effective Rate.

(d) All payments (whether of principal, interest, fees, reimbursements, or otherwise) by the Borrower under this Agreement shall be made without setoff or counterclaim and shall be made free and clear of and without deduction for any present or future Tax, levy, impost, or any other charge against the Borrower, if any, of any nature whatsoever now or hereafter imposed by any Tribunal. If the making of such payments by the Borrower is prohibited by Law unless such a Tax, levy, impost, or other charge is deducted or withheld therefrom, the Borrower shall pay to the Agent, on the date of each such payment, such additional amounts (without duplication of any other amounts required to be paid by the Borrower pursuant to Section 2.10) as may be necessary in order that the net amounts received by the Banks after such deduction or withholding shall equal the amounts which would have been received if such deduction or withholding were not required. The Borrower shall confirm that all applicable Taxes, if any, imposed on this Agreement or transactions hereunder shall have been properly and legally paid by it to the appropriate taxing authorities by sending official Tax receipts or notarized copies of such receipts to the Agent within 30 days after payment of any applicable Tax.

(e) So long as no Event of Default has occurred and is continuing, payments and prepayments of the Obligation shall be applied first to accrued interest then due and payable and to the remaining Obligation in the order and manner as the Borrower may direct. At any time during which an Event of Default has occurred and is continuing or if the Borrower fails to give direction, any payment or prepayment shall be applied in the

following order: (i) to expenses and fees for which the Agent and the Banks have not been reimbursed in accordance with the Loan Papers; (ii) to accrued interest; and (iii) to the remaining Obligation in the order and manner as the Majority Banks deem appropriate.

2.16 Calculation of LIBO and CD Rates. The provisions of this Agreement relating to calculation of the LIBO Rate and CD Rate are included only for the purpose of determining the rate of interest or other amounts to be paid hereunder that are based upon such rate, it being understood that each Bank shall be entitled to fund and maintain its funding of all or any part of a Eurodollar Loan or CD Loan as it sees fit. All such determinations hereunder, however, shall be made as if each Bank had actually funded and maintained funding of each Eurodollar Loan through the purchase in the Eurodollar InterBank Market of one or more eurodollar deposits, and of each CD Loan through the purchase at face value in the secondary market of one or more certificates of deposit, in an amount equal to the principal amount of such Loan and having a maturity corresponding to the Interest Period for such Loan.

2.17 Booking Loans. Any Bank may make, carry, or transfer Loans at, to, or for the account of any of its branch offices.

2.18 Quotation of Rates. It is hereby acknowledged that the Borrower may call the Agent on or before the date on which notice of a Borrowing is to be delivered by the Borrower in order to receive an indication of the rate or rates then in effect, but that such projection shall not be binding upon the Agent or any Bank nor affect the rate of interest which thereafter is actually in effect when the election is made.

SECTION 3. REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants to the Agent and the Banks as follows:

3.1 Purpose of Credit Facility. The Borrower will use Loan proceeds only for payment of the cash portion of the cost of its acquisition pursuant to Agreement and Plan of Merger dated October 18, 1993, among the Borrower, Celutel Acquisition Corp. and Celutel, Inc. The proceeds loaned hereunder will not be used directly or indirectly for the purpose of purchasing or carrying, or for the purpose of extending credit to others for the purpose of purchasing or carrying, any "margin stock" as that term is defined in Regulation G, T, U, or X of the Board, as amended, or to repay any Debt which was created for such purposes.

3.2 Corporate Existence, Good Standing, and Authority. Each Company is, to the best of the Borrower's knowledge, duly organized, validly existing, and in good standing under the Laws

of its state of incorporation (such jurisdictions being identified on Schedule 3.2). Except where failure would not reasonably be expected to have a Material Adverse Effect, each Company (a) is duly qualified to transact business and is in good standing as a foreign corporation in each jurisdiction where the nature and extent of its business and properties require the same (such jurisdictions being identified on Schedule 3.2) and (b) possesses all requisite authority, power, licenses, permits, and franchises to conduct its business as is now being, or is contemplated herein to be, conducted. The Borrower possesses all requisite authority, power, licenses, permits, and franchises to execute, deliver, and comply with the terms of the Loan Papers, all which have been duly authorized and approved by all necessary corporate action and, except where failure would not reasonably be expected to have a Material Adverse Effect, for which no approval or consent of any Person or Tribunal is required which has not been obtained and no filing or other notification to any Person or Tribunal is required which has not been properly completed.

3.3 Subsidiaries. Schedule 3.3 sets forth all existing Subsidiaries of the Borrower and correctly lists, as to each Subsidiary, (a) its name and (b) the percentage of its issued and outstanding shares of capital stock owned by the Borrower or another Subsidiary (specifying such Subsidiary). The shares of capital stock of each Subsidiary owned by the Borrower (either directly or indirectly through another Subsidiary) as set forth on Schedule 3.3 are the duly authorized, validly issued, fully paid, and nonassessable shares of such Subsidiary and are owned by the Borrower free and clear of all Liens except as set forth on Schedule 3.3.

3.4 Financial Statements. The Current Financials were prepared in accordance with GAAP and present fairly the consolidated financial condition and the results of operations of the Companies as of, and for the periods ended, the dates thereof. There were no material (to the Companies taken as a whole) liabilities, direct or indirect, fixed or contingent, of any Company as of the date of the Current Financials which are not reflected therein. There have been no material adverse changes in the consolidated financial condition of the Companies from that shown in the Current Financials between such dates and the date hereof, nor has any Company incurred any material (to the Companies taken as a whole) liability, direct or indirect, fixed or contingent, between the dates of the Current Financials and the date hereof, except in the ordinary course of business, such as in connection with acquisitions and financing activities.

3.5 Compliance with Laws, Charter, and Agreements. No Company is, nor will the execution, delivery, performance, or observance of the Loan Papers cause any Company to be, in

violation of any Laws or any Material Agreements to which it is a party, other than such violations which would not reasonably be expected to have a Material Adverse Effect. Neither the Borrower nor any Significant Subsidiary is, nor will the execution, delivery, performance, or observance of the Loan Papers cause the Borrower or any Significant Subsidiary to be, in violation of its bylaws or charter.

3.6 Litigation. Except as described on Schedule 3.6 and to the knowledge of the Borrower, no Company is aware of any "Material" Litigation, and there are no Material outstanding or unpaid judgments against any Company. Material for purpose of this Section 3.6 in relation to Litigation would include any actions or proceedings pending or threatened against any Company before any court or Tribunal seeking damages, net of insurance proceeds to the Company, in excess of \$1,000,000 in any case or 1% of Consolidated Net Worth in the aggregate, or which might result in any Material Adverse Effect.

3.7 Taxes. All Tax returns of each Company required to be filed have been filed (or extensions have been granted) except where the failure to do so could not reasonably be expected to have a Material Adverse Effect, and all Taxes imposed upon each Company which are due and payable have been paid other than Taxes for which the criteria for Permitted Liens have been satisfied.

3.8 Environmental Matters. No Company's ownership of its assets violates any applicable Environmental Law, other than such violations which would not reasonably be expected to have a Material Adverse Effect. To the Borrower's knowledge, no investigation or review is pending or threatened by any Tribunal with respect to any alleged violation of any Environmental Law in connection with any Company's assets. None of any Company's assets have been used by such Company or, to the Borrower's knowledge, any other Person as a dump site for any Hazardous Substance.

3.9 Employee Benefit Plans. (a) No employee benefit plan as defined in the Code and Title IV of ERISA of any Company has incurred an accumulated funding deficiency in an amount sufficient to have a Material Adverse Effect, (b) no Company has incurred material liability to the PBGC in connection with any such plan, (c) no Company has withdrawn in whole or in part from participation in a Multiemployer Plan, and (d) to the best of the Borrower's knowledge, no "prohibited transaction" (as defined in section 406 of ERISA or section 4975 of the Code) or "reportable event" (as defined in section 4043 of ERISA) has occurred which could reasonably be expected to have a Material Adverse Effect.

3.10 Properties; Liens. Each Company has good and marketable (except for Permitted Liens) title to all its property

reflected on the Current Financials (except for dispositions of property in the ordinary course of business between the date or dates thereof and the date hereof). Except for Permitted Liens, there is no Lien on any property of any Company, and the execution, delivery, performance, or observance of the Loan Papers will not require or result in the creation of any Lien other than Permitted Liens.

3.11 Holding Company and Investment Company Status. The Borrower is not (a) a "holding company," a "subsidiary company" of a "holding company," an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended, (b) a "public utility" within the meaning of the Federal Power Act, as amended, (c) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (d) an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended, or (e) subject to the jurisdiction of the Federal Communications Commission or any public service commission.

3.12 Transactions with Affiliates. Except as disclosed on Schedule 3.12, no Company is a party to a material transaction with any of its Affiliates other than transactions in the ordinary course of business and upon fair and reasonable terms not materially less favorable than such Company could obtain or could become entitled to in an arm's-length transaction with a Person that was not its Affiliate. For purposes of this Section 3.12, such transactions are "material" if they, individually or in the aggregate, require any Company to pay more than 1 percent of Consolidated Net Worth over the course of such transactions.

3.13 Leases. All material leases under which any Company is lessee or tenant are in full force and effect, and no default or potential default exists thereunder.

3.14 Labor Matters. There are no actual or, to the Borrower's knowledge, threatened strikes, labor disputes, slow downs, walkouts, or other concerted interruptions of operations by any Company's employees, the effect of which would have a Material Adverse Effect.

3.15 Insurance. Each Company maintains with financially sound insurance companies or associations (or, as to workers' compensation or similar insurance, with an insurance fund or by self-insurance authorized by the jurisdictions in which it operates) insurance concerning its properties and businesses against such casualties and contingencies and of such types and in such amounts (and with co-insurance and deductibles) as is customary in the case of same or similar businesses; provided,

however, a program of self-insurance in such amounts and against such risks as are prudent and which is consistent with accepted business practice shall constitute compliance with this Section 3.15.

3.16 Solvency. The Companies are, and after giving effect to the transactions contemplated under the Loan Papers will be, solvent.

3.17 Business. The business of the Borrower, as presently conducted and as proposed to be conducted, is set forth on Schedule 3.17.

3.18 General. There is no material fact or condition relating to the Loan Papers or the financial condition and business of any Company which could reasonably be expected to have a Material Adverse Effect and which has not been related, in writing, to the Agent, other than industry-wide risks in the ordinary course of business associated with the types of business conducted by any Company. All writings exhibited or delivered to the Agent by or on behalf of any Company are and will be genuine and in all material respects what they purport and appear to be.

SECTION 4. CONDITIONS PRECEDENT.

4.1 Initial Loan. No Bank will be obligated to fund the initial Loan unless the Agent has received all of the following in form and substance satisfactory to the Agent and its special counsel:

(a) Loan Papers. This Agreement, the Notes, a Notice of Borrowing, and the Current Financials.

(b) Officers' Certificates. A certificate dated as of the date hereof, executed and delivered by the Borrower, certifying that (i) attached is a true, correct, and complete copy of (A) the Borrower's charter, certified by the appropriate state official and dated a Current Date, (B) the Borrower's bylaws, and (C) resolutions of the Borrower's board of directors authorizing the execution and delivery of each Loan Paper to which the Borrower is a party; (ii) the officers whose specimen signatures appear on such certificate hold the corporate office indicated and are authorized to sign agreements, documents, and instruments on behalf of the Borrower; and (iii) the acquisition of Celutel, Inc. pursuant to the agreement described in Section 3.1 of this Agreement has been completed pursuant to the terms thereof, which terms have not been changed or waived in any material respect since October 18, 1993.

(c) Good Standing, Existence, and Authority. Certificates (dated a Current Date) relating to the Borrower's existence, good standing, and authority to transact business issued by appropriate state officials as set forth on Schedule 3.2.

(d) Opinions of Counsel. The favorable opinion, dated the Closing Date and substantially in the form of Exhibit C of Boles, Boles & Ryan, special counsel to the Borrower.

(e) Fees. Payment from the Borrower of all fees then due the Agent pursuant to this Agreement or any other agreement.

(f) Other. Such other agreements, documents, instruments, opinions, certificates, and evidences as the Agent may reasonably request.

4.2 Each Loan. In addition, the Banks will not be obligated to fund any Loan unless at the time of such funding (a) the representations and warranties made in the Loan Papers are true and correct in all material respects (except to the extent that (i) the representations and warranties speak to a specific date or (ii) the facts on which such representations and warranties are based have been changed by transactions contemplated or permitted by this Agreement), (b) neither any Material Adverse Effect nor any Default or Event of Default shall have occurred and shall be continuing, (c) the funding of such Loan is permitted by Law, and (d) if requested by the Agent or the Majority Banks, the Borrower shall have delivered to the Agent evidence substantiating any of the matters contained in this Agreement which are necessary to enable the Borrower to qualify for such Loan.

4.3 Materiality of Conditions. Each condition precedent herein is material to the transactions contemplated herein, and time is of the essence in respect of each thereof.

4.4 Waiver of Conditions. Subject to the provisions of Section 9.15, the Majority Banks may elect to fund any Loan without all conditions being satisfied, but this shall not be deemed to be a waiver of the requirement that each such condition precedent be satisfied as a prerequisite for any subsequent Loan, unless the Majority Banks (or, if required by Section 9.15, all Banks) specifically waive each such item in writing.

SECTION 5. COVENANTS. So long as the Banks are committed to make Loans under this Agreement and thereafter until the Obligation is paid and performed in full, unless the Borrower receives a prior written notice from the Majority Banks (or, if required by

Section 9.15, all Banks) that they do not object to a deviation, the Borrower covenants and agrees with the Agent and the Banks as follows:

5.1 Use of Proceeds. Proceeds advanced hereunder shall be used only as represented herein.

5.2 Books and Records. Each Company shall keep, in accordance with GAAP, proper and complete books, records, and accounts.

5.3 Items to be Furnished. The Borrower shall cause the following to be furnished to the Agent:

(a) Promptly after preparation, and no later than 120 days after the last day of each fiscal year of the Borrower, Financial Statements showing the consolidated financial condition and results of operations of the Companies as of, and for the year ended on, such last day, accompanied by (i) the opinion of KPMG Peat Marwick Main (or another firm of nationally-recognized independent certified public accountants reasonably acceptable to Majority Banks), based on an audit using generally accepted auditing standards, that such Financial Statements were prepared in accordance with GAAP and present fairly the consolidated financial condition and results of operations of the Companies (and such accountants shall indicate in a letter to the Agent, that during their audit no Default or Event of Default not already reported was discovered or, if such Default or Event of Default was discovered, the nature and period of existence thereof) and (ii) a Financial Report Certificate with respect to such Financial Statements.

(b) Promptly after preparation, and no later than 60 days after the last day of each of the first three quarters of each fiscal year of the Borrower, (i) Financial Statements showing the consolidated financial condition and results of operations of the Companies as of, and for the period from the beginning of the current fiscal year to, such last day, and (ii) a Financial Report Certificate with respect to such Financial Statements.

(c) Promptly after distribution, and, if filed with the Securities and Exchange Commission), such filing, true copies of all regular and periodic reports, statements, documents, plans, and other written communications furnished by or on behalf of any Company to stockholders or to the Securities and Exchange Commission. However, only registration statements covering more than 2 percent of the Borrower's outstanding shares of common stock shall be required to be furnished unless specifically requested by

the Agent.

(d) Promptly upon receipt thereof, copies of any notices received from any Tribunal (including, without limitation, state regulatory agencies) relating to the possible violation or violation of any Law which might materially and adversely affect the franchises, permits, or rights for the operation of the business of any Company.

(e) Notice, promptly after the Borrower knows or has reason to know of, (i) the existence of any Material Litigation as defined in Section 3.6, (ii) any material change in any material fact or circumstance represented or warranted in any Loan Paper, or (iii) a Default or Event of Default, specifying the nature thereof and what action the Borrower or any other Company has taken, is taking, or proposes to take with respect thereto.

(f) Promptly upon the Agent's reasonable request, such information (not otherwise required to be furnished under the Loan Papers) respecting the business affairs, assets, and liabilities of any Company, and any opinions, certifications, and documents, in addition to those mentioned herein.

5.4 Inspection. The Borrower shall allow the Agent and each Bank, when the Agent or such Bank reasonably deems necessary, at such Bank's own expense if no Default then exists, to inspect any of its properties, to review reports, files, and other records and to make and take away copies thereof, to conduct tests or investigations, and to discuss any of its affairs, conditions, and finances with any director, officer, or employee of such Company from time to time, upon reasonable notice during reasonable business hours, or otherwise when reasonably considered necessary.

5.5 Taxes. Each Company shall promptly pay when due any Taxes, except those which if unpaid would not cause a Material Adverse Effect and Taxes for which the criteria for Permitted Liens have been satisfied. No Company shall use any proceeds of Loans to pay the wages of employees unless a timely payment to or deposit with the United States of America of all amounts of Tax required to be deducted and withheld with respect to such wages is also made.

5.6 Payment of Obligations. Each Company shall promptly pay (or renew and extend) all of its material obligations as the same become due, but no Company will make any voluntary prepayment of the principal of any Debt other than the Obligation, whether subordinate to the Obligation or not, if a Default or Event of Default exists under any Loan Paper.

5.7 Expenses of Agent. The Borrower shall promptly pay all reasonable and necessary out-of-pocket costs, fees, and expenses paid or incurred by the Agent incident to any Loan Paper (including, but not limited to, the reasonable fees and expenses of counsel to the Agent in connection with the negotiation, preparation, delivery, and execution of the Loan Papers and any related amendment, waiver, or consent) or to the enforcement of the obligations of any Company or the exercise of any Rights (including, but not limited to, reasonable attorneys' fees and court costs), all of which shall be a part of the Obligation.

5.8 Maintenance of Existence, Assets, Business, and Insurance. Except as permitted by Section 5.12, each Company shall at all times: Maintain its corporate existence and authority to transact business and good standing in its jurisdiction of incorporation or organization and all other jurisdictions where the failure to so maintain could reasonably be expected to have a Material Adverse Effect; maintain all licenses, permits, and franchises necessary for its business, where the failure to so maintain could reasonably be expected to have a Material Adverse Effect; keep all of its assets which are necessary to its business in good working order and condition (ordinary wear and tear excepted), and make all necessary repairs and replacements thereto; and maintain either (a) insurance with such insurers, in such amounts, and covering such risks, as shall be ordinary and customary in the industry or (b) a comparable self-insurance program.

5.9 Preservation and Protection of Rights. Each Company shall perform such acts and duly authorize, execute, acknowledge, deliver, file, and record any additional agreements, documents, instruments, and certificates as the Agent may reasonably deem necessary or appropriate in order to preserve and protect the Rights of the Agent or the Banks under any Loan Paper.

5.10 Employee Benefit Plans. No Company will, directly or indirectly, if it would have a Material Adverse Effect, (a) engage in any "prohibited transaction" (as defined in section 406 of ERISA or section 4975 of the Code), (b) permit the funding requirements under ERISA with respect to any employee benefit plan established or maintained by any Company to ever be less than the minimum required by ERISA, (c) permit any employee benefit plan established or maintained by any Company to ever be subject to involuntary termination proceedings, or (d) fully or partially withdraw from any Multiemployer Plan.

5.11 Liens. No Company will create, incur, or suffer or permit to be created or incurred or to exist any Lien (other than Permitted Liens) upon any of its assets.

5.12 Acquisitions, Mergers, and Dissolutions. No Company will merge or consolidate with any Person other than any merger or consolidation whereby the Borrower (or another Company, if the Borrower is not a party thereto) is the surviving corporation and immediately after such merger or consolidation there shall not exist any Default or Event of Default.

5.13 Loans, Advances, and Investments. Except as permitted by Section 5.12, no Company will make any loan, advance, extension of credit, or capital contribution to, make any investment in, or purchase or commit to purchase any stock or other securities or evidences of Debt of, or interests in, any other Person, other than (a) expense accounts for and other advances to directors, officers, and employees of such Company in the ordinary course of business not to exceed \$1,000,000 in the aggregate outstanding at any time; (b) investments in (or secured by) obligations of the United States of America and agencies thereof and obligations guaranteed by the United States of America maturing within one year from the date of acquisition; (c) certificates of deposit issued by any of the Banks; (d) certificates of deposit which are fully insured by the Federal Deposit Insurance Corporation or are issued by commercial banks organized under the Laws of the United States of America or any state thereof and having combined capital, surplus, and undivided profits of not less than \$100,000,000 (as shown on such Person's most recently published statement of condition), and, unless Borrower has a written commitment to borrow funds from such commercial bank, which certificates of deposit have one of the two highest ratings from Moody's Investors Service, Inc., or Standard & Poors Corporation; (e) commercial paper rated A-1 by Moody's Investors Service, Inc., or P-1 by Standard & Poors Corporation; (f) investments having one of the two highest ratings from Moody's Investors Service, Inc., or Standard & Poors Corporation; (g) extensions of credit in connection with trade receivables and overpayments of trade payables, in each case resulting from transactions in the ordinary course of business; (h) loans from any Company to any other Company and investments by any Company in any other Company; (i) investments in the cash surrender value of life insurance policies issued by Persons with a financial rating from A. M. Best Company (as reported in Best's Insurance Reports) of at least "A+"; provided, however, that if such Person's financial rating is downgraded to less than "A+", then within 90 days following such downgrading, either (i) such cash value life insurance policies will be transferred to another insurance company with a financial rating of at least "A+", (ii) such cash value insurance policies will be collapsed and the cash value thereof will be collected by the investing Company, or (iii) such investment will become an investment subject to the limitations of subparagraph (l) of this Section 5.13; (j) investments in the capital stock or securities of or loans to any Person engaged in business comparable to the general business of

any Company (x) in which a Company possesses (or will possess, after such investment) an equity ownership interest in such Person or (y) secured by the borrower's interest in such business; (k) in the ordinary course of business and investments in the capital stock of the Rural Telephone Bank, National Bank for Cooperatives, or the National Rural Utilities Cooperative Finance Corporation, or any other lender from whom the investing Company is intending to borrow money which requires such Company to make an equity investment in such lender in order to so borrow; and (l) other loans, advances, and investments which never exceed in the aggregate at any time 25% of Adjusted Consolidated Net Worth (valued on the basis of original cost, plus subsequent cash and stock additions, less any write-down in value).

5.14 Transactions with Affiliates. No Company will enter into any material transaction with any of its Affiliates, other than transactions in the ordinary course of business and upon fair and reasonable terms not materially less favorable than such Company could obtain or could become entitled to in an arm's-length transaction with a Person that was not its Affiliate. For purposes of this Section 5.14, such transactions are "material" if they, individually or in the aggregate, require any Company to pay more than 1 percent of Consolidated Net Worth over the course of such transactions.

5.15 Sale of Assets. No Company will sell, lease, or otherwise dispose of all or any substantial part of its assets other than (a) sales of inventory in the ordinary course of business, (b) sales of equipment for a fair and adequate consideration, provided that if any such equipment is sold, and a replacement is necessary for the proper operation of the business of such Company, such Company will replace such equipment with adequate equipment, (c) the exchange of assets -- other than equipment -- for similar assets of greater or equal value, (d) the sale, discount, or transfer of delinquent notes or accounts receivable in the ordinary course of business for purposes of collection, and (e) in any 12-month period, dispositions of assets (net of acquisitions of similar assets) that, when added to all such other dispositions by all Companies, do not exceed 10 percent of Consolidated Net Worth.

5.16 Compliance with Laws and Documents. No Company will violate the provisions of any Laws or any Material Agreement if such violation alone, or when aggregated with all other such violations, could reasonably be expected to have a Material Adverse Effect. No Company will violate the provisions of its charter or bylaws or modify, repeal, replace, or amend any provision of its charter or bylaws if such action could reasonably be expected to have a Material Adverse Effect. The Borrower will provide to the Agent a copy of each document that

materially modifies, repeals, replaces, or amends the charter or bylaws of the Borrower.

5.17 New Businesses. No Company will engage in any material business other than the businesses in which it is presently engaged or businesses related thereto, as described on Schedule 3.17.

5.18 Assignment. The Borrower will not assign or transfer any of its Rights, duties, or obligations under any of the Loan Papers.

5.19 Fiscal Year and Accounting Methods. The Borrower will not change its fiscal year or accounting methods (other than immaterial changes and changes required by changes in GAAP) without the prior written consent of the Agent (which shall not be unreasonably withheld).

5.20 Holding Company and Investment Company Status. The Borrower will not conduct its business in such a way that it will become (a) a "holding company," a "subsidiary company" of a "holding company," an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended, (b) a "public utility" within the meaning of the Federal Power Act, as amended, (c) an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (d) an "investment adviser" within the meaning of the Investment Advisers Act of 1940, as amended.

5.21 Environmental Laws. Each Company shall conduct its business so as to comply with all applicable Environmental Laws and shall promptly take corrective action to remedy any non-compliance with any Environmental Law, except where failure to so comply or take such action would not reasonably be expected to have a Material Adverse Effect. Each Company shall maintain a system which, in its reasonable business judgment, will assure its continued compliance with Environmental Laws.

5.22 Environmental Indemnification. Borrower shall indemnify, protect, and hold each Indemnified Party harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, proceedings, costs, expenses (including, without limitation, all reasonable attorneys' fees and legal expenses whether or not suit is brought), and disbursements of any kind or nature whatsoever which may at any time be imposed on, incurred by, or asserted against such Indemnified Parties, with respect to or as a direct or indirect result of the violation by any Company of any Environmental Law; or with respect to or as a direct or indirect result of any Company's generation, manufacture, production,

storage, release, threatened release, discharge, disposal or presence in connection with its properties of a Hazardous Substance including, without limitation, (a) all damages of any such use, generation, manufacture, production, storage, release, threatened release, discharge, disposal, or presence, or (b) the costs of any required or necessary environmental investigation, monitoring, repair, cleanup, or detoxification and the preparation and implementation of any closure, remedial, or other plans. The provisions of and undertakings and indemnification set forth in this paragraph shall survive the satisfaction and payment of the Obligation and termination of this Agreement for a period of time set forth in the statute of limitations in any applicable Environmental Law.

5.23 Ratio of Funded Debt to Net Worth. As calculated at the end of each fiscal quarter of the Borrower, the Borrower shall not permit (a) Funded Debt of the Companies to exceed 185% of Consolidated Net Worth or (b) Funded Debt of the Companies other than the Borrower to exceed 150% of Consolidated Net Worth (excluding Borrower's portion thereof).

5.24 Ratio of EBIT to Interest Expense and Preferred Stock Dividends. As calculated at the end of each fiscal quarter of the Borrower (but computed for the four fiscal quarters ending on the last day of such fiscal quarter), the Borrower shall not permit EBIT of the Companies to be less than 150% of the sum of (a) consolidated interest expense of the Companies and (b) dividends declared or paid by any Company (other than to another Company) on its preferred capital stock (but if such dividends are declared and paid during such four-quarter period, the amount shall not be counted twice).

5.25 Tax Consolidation. If the Borrower is acquired by another Person and, as a result of such acquisition, the Borrower or the Borrower and any Subsidiary becomes an "includible corporation" within the meaning of section 1504(b) of the Code and files a consolidated federal income tax return as a member of an "affiliated group" of corporations within the meaning of section 1504(a) of the Code, the Borrower shall require the parent corporation of the affiliated group to enter into an agreement which shall provide that if the Borrower or such Subsidiary shall sustain any loss that may be applied to reduce the consolidated taxable income of the affiliated group of which the Borrower or the Borrower and such Subsidiary is or was a member, such parent corporation will pay, or cause all corporations (other than the Borrower and the Subsidiaries) which were members of the affiliated group for the year in which such loss is applied to pay, to the Borrower or such Subsidiary, as the case may be, promptly after filing the consolidated federal income tax return for such taxable year, an amount equal to the excess of (i) the consolidated federal income tax liability of

the affiliated group for such year, computed without reducing the consolidated taxable income of such group by the amount of the Borrower's or such Subsidiary's loss, over (ii) the consolidated federal income tax liability of such group for such year computed by including the Borrower's or such Subsidiary's loss in consolidated taxable income. If any corporation (other than the Borrower or a Subsidiary) which is a member of such affiliated group shall sustain any such loss in a taxable year, the Borrower and each Subsidiary which is or was a member of such affiliated group for such year may agree to pay to the member sustaining such loss, or to pay to the parent corporation of such affiliated group for distribution to such member, an amount equal to the excess of (i) the consolidated federal income tax liability which the Borrower and said Subsidiaries would have incurred for such year, if such liability had been computed on a basis which was not consolidated with the other members of such affiliated group, over (ii) the total federal income tax liability (taking into account such member's loss) which the Borrower and said Subsidiaries actually were required to pay for such year.

SECTION 6. DEFAULT. The term "Event of Default" means the occurrence and continuance of any one or more of the following events (including the passage of time, if any, specified therefor) (provided that, if any such event occurs and the Banks or Majority Banks, as required by the provisions of Section 9.15, subsequently agree in writing that they will not exercise any remedies hereunder as a result thereof, the occurrence and continuance of such event shall no longer be deemed an Event of Default hereunder insofar as the state of facts giving rise to such event is concerned):

6.1 Payment of Obligation. The failure or refusal of the Borrower to pay any portion of the Obligation, as the same become due in accordance with the terms of the Loan Papers and, in the case of an interest payment, such failure or refusal continues for a period of 5 Business Days (no grace period being given for failure or refusal to make a principal payment). Notwithstanding the foregoing, the Borrower's failure to pay, if caused solely by a wire transfer malfunction or similar problem outside the Borrower's control, shall not be deemed an Event of Default.

6.2 Covenants.

(a) The failure or refusal of the Borrower (and, if applicable, any other Company) to punctually and properly perform, observe, and comply with any covenant, agreement, or condition contained in Sections 5.11, 5.12, 5.14, 5.17, 5.18, 5.19, 5.20, 5.23, and 5.24.

(b) The failure or refusal of the Borrower (and, if applicable, any other Company) to punctually and properly

perform, observe, and comply with any covenant, agreement, or condition contained in any of the Loan Papers to which such Company is a party, other than covenants to pay the Obligation and the covenants listed in clause (a) preceding, and such failure or refusal continues for 10 days after notice from the Agent to the Borrower.

6.3 Debtor Relief. The Companies shall not be Solvent, or any Company (a) fails to pay its Debts generally as they become due, (b) voluntarily seeks, consents to, or acquiesces in the benefit of any Debtor Relief Law, or (c) becomes a party to or is made the subject of any proceeding provided for by any Debtor Relief Law, other than as a creditor or claimant, that could suspend or otherwise adversely affect the Rights of the Agent or the Banks granted in the Loan Papers (unless, in the event such proceeding is involuntary, the petition instituting same is dismissed within 60 days after its filing).

6.4 Attachment. The failure of any Company to have discharged within 60 days after commencement any attachment, sequestration, or similar proceeding which, individually or together with all such other proceedings then pending, affects assets of such Company having a value (individually or collectively) of 1 percent of Consolidated Net Worth or more.

6.5 Payment of Judgments. Any Company fails to pay any judgments or orders for the payment of money in excess of 1 percent of Consolidated Net Worth (individually or collectively) rendered against it or any of its assets and either (a) any enforcement proceedings shall have been commenced by any creditor upon any such judgment or order or (b) a stay of enforcement of any such judgment or order, by reason of pending appeal or otherwise, shall not be in effect prior to the time its assets may be lawfully sold to satisfy such judgment.

6.6 Default Under Other Agreements. A default exists under any Material Agreement to which any Company is a party, the effect of which is to cause, or which permits the holder thereof (or a trustee or representative of such holder) to cause, unpaid consideration of at least \$5,000,000 (individually or in the aggregate) to become due prior to the stated maturity or prior to the regularly scheduled dates of payment.

6.7 Antitrust Proceedings. A petition or complaint is filed before or by any Tribunal (including, without limitation, the Federal Trade Commission, the United States Justice Department, or the Federal Communications Commission) seeking to cause the Borrower or any Subsidiary to divest a significant portion of its assets or any of its Subsidiaries pursuant to any antitrust, restraint of trade, unfair competition, or similar Laws, and such petition or complaint is not dismissed or

discharged within 270 days after the filing thereof.

6.8 Misrepresentation. Either Agent or any Bank discovers that any statement, representation, or warranty in the Loan Papers, any Financial Statement of the Borrower, or any writing ever delivered to either Agent or any Bank pursuant to the Loan Papers is false, misleading, or erroneous when made or delivered in any material respect.

SECTION 7. RIGHTS AND REMEDIES.

7.1 Remedies Upon Event of Default.

(a) Should an Event of Default occur and be continuing under Section 6.3, the commitment of the Banks to make Loans shall automatically terminate and the entire unpaid balance of the Obligation shall automatically become due and payable without any action of any kind whatsoever.

(b) Should any other Event of Default occur and be continuing, subject to any agreement among the Banks, the Agent may (and shall upon the request of the Majority Banks), at its (or the Majority Banks') election, do any one or more of the following: (i) If the maturity of the Obligation has not already been accelerated under Section 7.1(a), declare the entire unpaid balance of the Obligation, or any part thereof, immediately due and payable, whereupon it shall be due and payable (and notice of such declaration shall promptly be given thereafter by the Agent to the Borrower); (ii) terminate commitments to make Loans hereunder; (iii) reduce any claim to judgment; (iv) exercise (or request each Bank to exercise) the Rights of offset or banker's Lien against the interest of the Borrower in and to every account and other property of the Borrower which are in the possession of any Bank to the extent of the full amount of the Obligation; and (v) exercise any and all other legal or equitable Rights afforded by the Loan Papers, the Laws of the State of Texas or any other jurisdiction as the Agent shall deem appropriate, or otherwise, including, but not limited to, the Right to bring suit or other proceedings before any Tribunal either for specific performance of any covenant or condition contained in any of the Loan Papers or in aid of the exercise of any Right granted to the Banks in any of the Loan Papers.

7.2 Waivers. The Borrower hereby waives presentment and demand for payment, protest, notice of intention to accelerate, notice of acceleration, and notice of protest and nonpayment, and agrees that its liability with respect to the Obligation, or any

part thereof, shall not be affected by any renewal or extension in the time of payment of the Obligation, by any indulgence, or by any release or change in any security for the payment of the Obligation.

7.3 Performance by Agent. If any covenant, duty, or agreement of any Company is not performed in accordance with the terms of the Loan Papers, the Agent may, at its option (but subject to the approval of the Majority Banks), perform or attempt to perform such covenant, duty, or agreement on behalf of such Company. In such event, any amount expended by the Agent in such performance or attempted performance shall be reasonable, payable by the Borrower to the Agent on demand, shall become part of the Obligation, and shall bear interest at the Default Rate from the date of such expenditure by the Agent until paid. Notwithstanding the foregoing, it is expressly understood that the Agent does not assume and shall never have, except by its express written consent, any liability or responsibility for the performance of any covenant, duty, or agreement of any Company.

7.4 Delegation of Duties and Rights. The Agent and the Banks may perform any of their duties or exercise any of their Rights under the Loan Papers by or through the Agent and the Agent's officers, directors, employees, attorneys, agents, or other representatives.

7.5 Banks Not in Control. None of the covenants or other provisions contained in this Agreement or in any other Loan Paper shall, or shall be deemed to, give the Agent or the Banks the Right to exercise control over the assets (including, without limitation, real property), affairs, or management of any Company, the power of the Agent and the Banks being limited to the Right to exercise the remedies provided in this Section 7.

7.6 Waivers by Banks. The acceptance by the Agent or the Banks at any time and from time to time of partial payment on the Obligation shall not be deemed to be a waiver of any Event of Default then existing. No waiver by the Agent, the Majority Banks, or all of the Banks of any Event of Default shall be deemed to be a waiver of any other then-existing or subsequent Event of Default. No delay or omission by the Agent, the Majority Banks, or all of the Banks in exercising any Right under the Loan Papers shall impair such Right or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such Right preclude other or further exercise thereof, or the exercise of any other Right under the Loan Papers or otherwise.

7.7 Cumulative Rights. All Rights available to the Agent and the Banks under the Loan Papers are cumulative of and in addition to all other Rights granted to the Agent and the Banks

at law or in equity, whether or not the Obligation is due and payable and whether or not the Agent or the Banks have instituted any suit for collection, foreclosure, or other action in connection with the Loan Papers.

7.8 Application of Proceeds. Any and all proceeds ever received by the Agent or the Banks from the exercise of any Rights pertaining to the Obligation shall be applied to the Obligations in the order and manner set forth in Section 2.15.

7.9 Certain Proceedings. The Borrower will promptly execute and deliver or cause the execution and delivery of, all applications, certificates, instruments, registration statements, and all other documents and papers the Agent or the Banks may reasonably request in connection with the obtaining of any consent, approval, registration, qualification, permit, license, or authorization of any other Tribunal or other Person necessary or appropriate for the effective exercise of any Rights under the Loan Papers. Because the Borrower agrees that the Agent's and the Banks' remedies at Law for failure of the Borrower to comply with the provisions of this paragraph would be inadequate and that such failure would not be adequately compensable in damages, the Borrower agrees that the covenants of this paragraph may be specifically enforced.

SECTION 8. AGREEMENT AMONG BANKS.

8.1 Agent.

(a) Each Bank hereby irrevocably appoints and authorizes the Agent to act on its behalf and to exercise such powers under this Agreement as are specifically delegated to or required of the Agent by the terms hereto, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement or the Notes (including, without limitation, enforcement or collection of the Notes), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Banks, and such instructions shall be binding upon all Banks and all holders of Notes; provided, however, that Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or applicable Law.

(b) The Agent may resign at any time by giving written notice thereof to the Banks and the Borrower and may be removed as the Agent under this Agreement and the Notes at any time with cause by all Banks other than the Agent (the "Removing Banks").

Upon any such resignation or removal, the Majority Banks shall have the right, with the consent of the Borrower, not to be unreasonably withheld, to appoint a successor Agent from among the Banks (other than the resigning Agent). If no successor Agent shall have been so appointed by the Majority Banks, and shall have accepted such appointment, within 30 calendar days after the retiring Agent's giving notice of resignation or the Removing Banks' removal of the retiring Agent, then the retiring Agent may, on behalf of the Banks, with the consent of the Borrower, not to be unreasonably withheld, appoint a successor Agent, which shall be a commercial bank organized under the Laws of the United States of America or of any state thereof and having a combined capital and surplus of at least \$100,000,000. Upon the acceptance of any appointment as the Agent hereunder and under the Notes by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement and the Notes. After any retiring Agent's resignation or removal as the Agent hereunder and under the Notes, the provisions of this Section 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Agent under this Agreement and the Notes.

(c) If the Agent fails to take any action under any Loan Paper after an Event of Default and within a reasonable time after being reasonably requested to do so by any Bank (when such Bank is entitled to make such request under the Loan Papers and after such requesting Bank has obtained the concurrence of such other Banks as may be required hereunder), the Agent shall not suffer or incur any liability as a result of such failure or refusal, but such requesting Bank may request the Agent to resign as the Agent, whereupon the Agent shall so resign upon receiving such request.

(d) The Agent, in its capacity as a Bank, shall have the same Rights under the Loan Papers as any other Bank and may exercise the same as though it were not acting as the Agent; the term "Bank" shall, unless the context otherwise indicates, include the Agent; and any resignation by the Agent hereunder shall not impair or otherwise affect any Rights which it has or may have in its capacity as an individual Bank.

(e) Subject in all respects to the terms and conditions of the Loan Papers, the Agent may be engaged in, or may hereafter engage in, one or more loan, letter of credit, leasing, or other financing transactions (collectively, the "other financings") not the subject of the Loan Papers, with one or more of the Companies, or may act as trustee on behalf of, or depositary for, or otherwise engage in other business transactions with one or more of the Companies, in each case with

no responsibility to account therefor to the Banks. Without limiting Rights to which the Banks are specifically entitled under the Loan Papers, no other Banks shall have, by virtue of their being parties hereto, any interest in (i) any such other financings, (ii) any present or future guaranties by or for the account of any Company which are not contemplated or included in the Loan Papers, (iii) any present or future offset exercised by the Agent in respect of such other financings, or (iv) any present or future property taken as security for any such other financings, even if such property may become security for the obligations of any Company arising under the Loan Papers by reason of a general description of indebtedness related to any such other financings; provided that, if any payments in respect of such guaranties or such property or the proceeds thereof shall be applied to reduce the Obligations, then each Bank shall be entitled to share in such application according to its pro rata part thereof.

8.2 Expenses. Each Bank shall pay its pro rata part of any reasonable expenses (including, without limitation, court costs, reasonable attorneys' fees, and other costs of collection) incurred by the Agent in connection with any of the Loan Papers if the Agent does not receive reimbursement therefor from other sources within 60 days after incurred; provided that each Bank shall be entitled to receive its pro rata part of any reimbursement for such expenses, or part thereof, which the Agent subsequently receives from such other sources.

8.3 Proportionate Absorption of Losses. Except as herein provided, nothing in the Loan Papers shall be deemed to give any Bank any advantage over any other Bank insofar as the portion of the Obligation arising under the Loan Papers is concerned, or to relieve any Bank from absorbing its pro rata part of any losses sustained with respect to the Obligation (except to the extent unilateral actions or inactions by any Bank result in any credit, allowance, setoff, defense, or counterclaim solely with respect to all or any part of such Bank's pro rata part of the Obligation).

8.4 Delegation of Duties; Reliance. The Agent may exercise any of its duties under the Loan Papers by or through its officers, directors, employees, attorneys, or agents (collectively, "Representatives"), and the Agent and its Representatives shall (a) be entitled to rely upon (and shall be protected in relying upon) any writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telecopy, telegram, telex or teletype message, statement, order, or other documents or conversation believed by it or them to be genuine and correct and to have been signed or made by the proper Person and, with respect to legal matters, upon opinion of counsel selected by the Agent, (b) be entitled to deem and treat each

Bank as the owner and holder of its pro rata part of the Obligation for all purposes until, subject to Section 9.20, written notice of the assignment or transfer thereof shall have been given to and received by the Agent (and, any request, authorization, consent, or approval of any Bank shall be conclusive and binding on each subsequent holder, assignee, or transferee of such Lender's pro rata part of the Obligation or Participant therein), and (c) not be deemed to have notice of the occurrence of an Event of Default unless an officer of the Agent has actual knowledge thereof or the Agent has been notified thereof by a Bank or the Borrower.

8.5 Limitation of Agent's Liability.

(a) Neither the Agent nor any of its Representatives (as defined in Section 8.4) shall be liable for any action taken or omitted to be taken by it or them under the Loan Papers in good faith and believed by it or them to be within the discretion or power conferred upon it or them by the Loan Papers or be responsible for the consequences of any error of judgment, except for fraud, gross negligence, or willful misconduct (it being the express intention of the parties that the Agent and its Representatives shall have no liability for actions and omissions resulting from their ordinary contributory negligence), and neither the Agent nor any of its Representatives has a fiduciary relationship with any Bank by virtue of the Loan Papers (provided that nothing herein shall negate the obligation of the Agent to account for funds received by it for the account of any Bank).

(b) Unless indemnified to its satisfaction against loss, cost, liability, and expense, the Agent shall not be compelled to do any act under the Loan Papers or to take any action toward the execution or enforcement of the powers thereby created or to prosecute or defend any suit in respect of the Loan Papers. If the Agent requests instructions from the Banks or from the Majority Banks, as the case may be, with respect to any act or action (including, but not limited to, any failure to act) in connection with any Loan Paper, the Agent shall be entitled (but shall not be required) to refrain (without incurring any liability to any Person by so refraining) from such act or action unless and until it has received such instructions. In no event, however, shall the Agent or any of its Representatives be required to take any action which it or they reasonably determine could incur for it or them criminal or onerous civil liability.

(c) The Agent shall not be responsible in any manner to any Bank or any Participant for, and each Bank represents and warrants that it has not relied upon the Agent in respect of, (i) the creditworthiness of the Borrower and the risks involved to such Bank, (ii) the effectiveness, enforceability, genuineness, validity, or the due execution of any Loan Paper, (iii) any

representation, warranty, document, certificate, report, or statement made therein or furnished thereunder or in connection therewith, or (iv) observation of or compliance with any of the terms, covenants, or conditions of any Loan Paper on the part of any Company. Each Bank also acknowledges and agrees that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Bank agrees to indemnify the Agent and its respective Representatives and hold them harmless from and against (but limited to such Bank's pro rata part of) any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, reasonable expenses, and reasonable disbursements of any kind or nature whatsoever which may be imposed on, asserted against, or incurred by them in any way relating to or arising out of the Loan Papers or any action taken or omitted by them under the Loan Papers, except to the extent the same result solely from fraud, gross negligence, or willful misconduct by the Agent or its Representatives (it being the express intention of the parties that the Agent and its Representatives shall have no liability for actions and omissions resulting from their ordinary contributory negligence).

8.6 Default. Upon the occurrence and continuance of an Event of Default, the Banks agree to promptly confer in order that the Majority Banks (or, if required by Section 9.15, all Banks) may agree upon a course of action for the enforcement of the Rights of the Banks; provided that the Agent shall be entitled (but not obligated) to proceed to take any actions necessary in its reasonable judgment to preserve the Rights of the Agent and the Banks hereunder, pending agreement by the Majority Banks (or, if required by Section 9.15, all Banks) on the course of action to be taken.

8.7 Limitation of Liability of Banks. No Bank or any Participant shall incur any liability to any other Bank or Participant except for acts or omissions in bad faith, and no Bank or any Participant shall incur any liability to any Company or any other Person for any act or omission of any other Bank or any Participant.

8.8 Relationship of Banks. Nothing herein shall be construed as creating a partnership or joint venture among the Agent and the Banks, or the Banks.

8.9 Foreign Banks. Each Bank that is organized under the laws of any jurisdiction other than the United States of America or any State thereof (a) represents to the Agent and the Borrower that (i) under applicable Laws and treaties no Taxes will be required to be withheld by the Agent or the Borrower with respect

to any payments to be made to such Bank in respect of the Obligation and (ii) it has furnished to the Agent and the Borrower two duly completed copies of either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 (wherein such Bank claims entitlement to complete exemption from U.S. federal withholding tax on all interest payments hereunder), and (b) covenants to (i) provide the Agent and the Borrower a new Form 4224 or Form 1001 upon the obsolescence of any previously delivered form in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such Bank and (ii) comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

8.10 Benefits of Agreement. Except for requiring the Borrower's consent under Section 8.1(b) and the representations and covenants in Section 8.9 in favor of the Borrower, none of the provisions of this Section 8 shall inure to the benefit of any Company or any Person other than the Agent, the Banks, and the Participants; consequently, neither any Company nor any other Person shall be entitled to rely upon, or to raise as a defense, in any manner whatsoever, the failure of either Agent or any Bank to comply with such provisions.

SECTION 9. MISCELLANEOUS.

9.1 Changes in GAAP. All accounting and financial terms used in any of the Loan Papers and the compliance with each covenant contained in the Loan Papers which relates to financial matters shall be determined in accordance with GAAP, except to the extent that a deviation therefrom is expressly stated in such Loan Papers. Should a change in GAAP require a change in any method of accounting or should any voluntary change in the accounting methods be permitted pursuant to Section 5.19, then such change shall not result in an Event of Default if, at the time of such change, such Event of Default had not occurred and was not then continuing, based upon the former methods of accounting used by or on behalf of the Borrower; provided that, after any such change in accounting methods, the Financial Statements required to be delivered shall either be (a) supplemented with financial information prepared in comparative form, in compliance with the former methods of accounting used prior to such change, as well as with the new method or methods of accounting and, for the purpose of determining whether an Event of Default has occurred, Lenders shall look solely to that portion of such supplemental information that complies with the former methods of accounting, or (b) supplemented with financial information prepared in compliance with such new method or methods of accounting but accompanied by such information, in form and detail satisfactory

to Lenders, that will allow Lenders to readily determine the effect of such changes in accounting methods on such Financial Statements, and, for the purpose of determining whether an Event of Default has occurred, Lenders shall look solely to such supplemental information as adjusted to reflect compliance with such former method or methods of accounting.

9.2 Money and Interest. Unless stipulated otherwise (a) all references in any of the Loan Papers to "dollars," "money," "payments," or other similar financial or monetary terms are references to currency of the United States of America and (b) all references to interest are to simple and not compound interest.

9.3 Number and Gender of Words. Whenever in any Loan Paper the singular number is used, the same shall include the plural where appropriate, and vice versa; and words of any gender in any Loan Paper shall include each other gender where appropriate. The words "herein," "hereof," and "hereunder," and other words of similar import refer to the relevant Loan Paper as a whole and not to any particular part or subdivision thereof.

9.4 Headings. The headings, captions, and arrangements used in any of the Loan Papers are, unless specified otherwise, for convenience only and shall not be deemed to limit, amplify, or modify the terms of the Loan Papers, nor affect the meaning thereof.

9.5 Exhibits. If any Exhibit, which is to be executed and delivered, contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained and as contemplated herein prior to, at the time of, or after the execution and delivery thereof.

9.6 Communications. Unless specifically otherwise provided, whenever any Loan Paper requires or permits any consent, approval, notice, request, or demand from one party to another, such communication must be in writing (which may be by telex or telecopy) to be effective and shall be deemed to have been given on the day actually delivered or, if mailed, on the Business Day it is received by the party to be notified at the address indicated on Schedule 1 (unless changed by notice pursuant hereto), properly stamped, sealed, and deposited in the appropriate official postal service.

9.7 Form and Number of Documents. Each agreement, document, instrument, or other writing to be furnished under any provision of this Agreement must be in form and substance and in such number of counterparts as may be reasonably required by the Agent and its counsel.

9.8 Exceptions to Covenants. The Borrower shall not take any action or fail to take any action which is permitted as an exception to any of the covenants contained in any of the Loan Papers if such action or omission would result in the breach of any other covenant contained in any of the Loan Papers.

9.9 Survival. All covenants, agreements, undertakings, representations, and warranties made in any of the Loan Papers (a) shall survive all closings under the Loan Papers, (b) except as otherwise indicated, shall not be affected by any investigation made by any party, and (c) unless otherwise provided herein shall terminate upon the later of the termination of this Agreement and the payment in full of the Obligation.

9.10 Governing Law. The Loan Papers are being executed and delivered, and are intended to be performed, in the State of Texas, and the laws (other than conflict-of-laws provisions thereof) of such State and of the United States of America shall govern the Rights and duties of the parties hereto and the validity, construction, enforcement, and interpretation of the Loan Papers.

9.11 VENUE; SERVICE OF PROCESS; JURY TRIAL. EACH PARTY HERETO, IN EACH CASE FOR ITSELF, ITS SUCCESSORS AND ASSIGNS, HEREBY (a) IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS OF THE STATE OF TEXAS AND AGREES AND CONSENTS THAT SERVICE OF PROCESS MAY BE MADE UPON IT IN ANY LEGAL PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THE LOAN PAPERS AND THE OBLIGATION BY SERVICE OF PROCESS AS PROVIDED BY TEXAS LAW, (b) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THE LOAN PAPERS AND THE OBLIGATION BROUGHT IN DISTRICT COURTS OF DALLAS COUNTY, TEXAS, OR IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, (c) IRREVOCABLY WAIVES ANY CLAIMS THAT ANY LITIGATION BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM, (d) AGREES TO DESIGNATE AND MAINTAIN AN AGENT FOR SERVICE OF PROCESS IN DALLAS, TEXAS, IN CONNECTION WITH ANY SUCH LITIGATION AND TO DELIVER TO THE AGENT EVIDENCE THEREOF, IF REQUESTED, (e) IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH LITIGATION BY THE MAILING OF COPIES THEREOF BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE PREPAID, AT ITS ADDRESS SET FORTH HEREIN, (f) IRREVOCABLY AGREES THAT ANY LEGAL PROCEEDING AGAINST ANY PARTY HERETO ARISING OUT OF OR IN CONNECTION WITH THE LOAN PAPERS ON THE OBLIGATION SHALL BE BROUGHT IN ONE OF THE AFOREMENTIONED COURTS, AND (g) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ITS RIGHT TO A JURY TRIAL IN ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THE LOAN PAPERS AND THE OBLIGATION.

9.12 Maximum Interest Rate. Regardless of any provision contained in any of the Loan Papers, no Bank shall ever be entitled to contract for, charge, take, reserve, receive, or apply, as interest on the Obligation, or any part thereof, any amount in excess of the Highest Lawful Rate, and, in the event the Banks ever contract for, charge, take, reserve, receive, or apply as interest any such excess, it shall be deemed a partial prepayment without penalty of principal and treated hereunder as such and any remaining excess shall be refunded to the Borrower. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the Highest Lawful Rate, the Borrower and the Banks shall, to the maximum extent permitted under applicable Law, (a) treat all Borrowings as but a single extension of credit (and the Banks and the Borrower agree that such is the case and that provision herein for multiple Borrowings and multiple Notes is for convenience only), (b) characterize any nonprincipal payment as an expense, fee, or premium rather than as interest, (c) exclude voluntary prepayments and the effects thereof, and (d) "spread" the total amount of interest throughout the entire contemplated term of the Obligation; provided that, if the Obligation is paid and performed in full prior to the end of the full contemplated term thereof, and if the interest received for the actual period of existence thereof exceeds the Highest Lawful Rate, the Banks shall refund such excess, and, in such event, the Banks shall not be subject to any penalties provided by any Laws for contracting for, charging, taking, reserving, or receiving interest in excess of the Highest Lawful Rate. To the extent the Laws of the State of Texas are applicable for purposes of determining the "Highest Lawful Rate," such term shall mean the "indicated rate ceiling" from time to time in effect under Article 1.04, Title 79, Revised Civil Statutes of Texas, as amended, or, if permitted by applicable Law and effective upon the giving of the notices required by such Article 1.04 (or effective upon any other date otherwise specified by applicable Law), the "monthly ceiling," the "quarterly ceiling," or "annualized ceiling" from time to time in effect under such Article 1.04, whichever the Banks shall elect to substitute for the "indicated rate ceiling," and vice versa, each such substitution to have the effect provided in such Article 1.04; and the Banks shall be entitled to make such election from time to time and one or more times and, without notice to the Borrower, to leave any such substitute rate in effect for subsequent periods in accordance with subsection (h)(1) of such Article 1.04. Pursuant to Article 15.10(b) of Chapter 15, Subtitle 79, Revised Civil Statutes of Texas, 1925, as amended, the Borrower agrees that such Chapter 15 (which regulates certain revolving credit loan accounts and revolving triparty accounts) shall not govern or in any manner apply to the Obligation.

9.13 Invalid Provisions. If any provision in any Loan Paper is held to be illegal, invalid, or unenforceable, such provision shall be fully severable; the appropriate Loan Paper shall be construed and enforced as if such provision had never comprised a part thereof; and the remaining provisions thereof shall remain in full force and effect and shall not be affected by such provision or by its severance therefrom. Furthermore, in lieu of such provision there shall be added automatically as a part of such Loan Paper a provision as similar thereto as may be possible and be legal, valid, and enforceable.

9.14 Entirety. A LOAN AGREEMENT IN WHICH THE AMOUNT INVOLVED EXCEEDS \$50,000 IN VALUE IS NOT ENFORCEABLE UNLESS THE AGREEMENT IS IN WRITING AND SIGNED BY THE PARTY TO BE BOUND OR BY THAT PARTY'S AUTHORIZED REPRESENTATIVE. THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE DETERMINED SOLELY FROM WRITTEN AGREEMENTS, DOCUMENTS, AND INSTRUMENTS, AND ANY PRIOR ORAL AGREEMENTS BETWEEN THE PARTIES ARE SUPERSEDED BY AND MERGED INTO SUCH WRITINGS. THIS AGREEMENT (AS AMENDED IN WRITING FROM TIME TO TIME) AND THE OTHER WRITTEN LOAN PAPERS EXECUTED BY THE BORROWER, THE AGENT, AND THE BANKS (OR BY THE BORROWER FOR THE BENEFIT OF THE AGENT OR ANY BANK) REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS PARAGRAPH IS INCLUDED HEREIN PURSUANT TO SECTION 26.02 OF THE TEXAS BUSINESS AND COMMERCE CODE, AS AMENDED FROM TIME TO TIME.

9.15 Amendments, Etc. No amendment or waiver of any provision of any Loan Paper nor consent to any departure therefrom by the Borrower shall be effective unless the same shall be in writing and signed by the Majority Banks and the Borrower, and then, such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver, or consent shall, unless in writing and signed by all Banks, do any of the following: (a) extend the due date for payment of any of the Obligation, (b) reduce the principal amount of Loans due hereunder or any interest rate or the amount of fees applicable to the Obligation (except such reductions as are contemplated by this Agreement), (c) amend or waive compliance with this Section 9.15 or (d) amend the definition of Majority Banks; provided that no amendment, waiver, or consent shall, unless in writing and signed by the Agent in addition to the Banks required above to take such action, affect the rights or duties of the Agent under this or any other Loan Paper.

9.16 Waivers. No course of dealing nor any failure or delay by the Agent, any Bank, or any of their respective officers, directors, employees, agents, representatives, or attorneys with

respect to exercising any Right of the Banks hereunder shall operate as a waiver thereof. A waiver must be in writing and signed by the Banks (or the Majority Banks, if permitted hereunder) to be effective, and such waiver will be effective only in the specific instance and for the specific purpose for which it is given.

9.17 Taxes. Any Taxes (excluding income taxes) payable or ruled payable by any Tribunal in respect of this Agreement or any other Loan Paper shall be paid by the Borrower, together with interest and penalties, if any.

9.18 Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, the Banks shall not be obligated to extend credit to the Borrower in violation of any Law.

9.19 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes and all of which constitute, collectively, one Agreement; but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. It is not necessary that each Bank execute the same counterpart so long as identical counterparts are executed by the Borrower and each Bank. This Agreement shall become effective when counterparts hereof shall have been executed and delivered to the Agent by each Bank, the Agent, and the Borrower, or, in the case only of the Banks, when the Agent shall have received telecopied, telexed, or other evidence satisfactory to it that each Bank has executed and is delivering to the Agent a counterpart hereof.

9.20 Successors and Assigns; Participations; Assignments.

(a) This Agreement shall be binding upon, and inure to the benefit of the parties hereto and their respective successors and assigns, except that (i) the Borrower may not, directly or indirectly, assign or transfer, or attempt to assign or transfer, any of its Rights, duties, or obligations under any Loan Papers to which it is a party without the express written consent of all Banks, and (ii) except as permitted under Section 2.17 and this Section 9.20, no Bank may transfer, pledge, assign, sell participations in, or otherwise encumber its portion of the Obligation.

(b) Subject to the provisions of this Section 9.20, any Bank may sell to one or more Persons (each a "Participant") participating interests (in each case not less than \$5,000,000 and in an integral multiple of \$500,000) in its portion of the Obligation; provided that

each Bank's Loan must be at least 50 percent of its Loan on the date of this Agreement at all times and the Agent and the Borrower shall have the right to approve any Participant which is not a financial institution. In the event of any such sale to a Participant, (i) such Bank shall remain a "Bank" under this Agreement and the Participant shall not constitute a "Bank" hereunder, (ii) such Bank's obligations under this Agreement shall remain unchanged, (iii) such Bank shall remain solely responsible for the performance thereof, (iv) such Bank shall remain the holder of its share of the Obligation for all purposes under this Agreement, and (v) the Borrower and the Agent shall continue to deal solely and directly with such Bank in connection with such Bank's Rights and obligations under the Loan Papers. Participants shall have no Rights under the Loan Papers, other than certain voting rights as provided below. Each Bank shall be entitled to obtain (on behalf of its Participants) the benefits of Section 2 with respect to all participations in its Loans outstanding from time to time. No Bank shall sell any participating interest under which the Participant shall have any Rights to approve any amendment, modification, or waiver of any Loan Paper, except to the extent such amendment, modification, or waiver extends the due date for payment of any amount in respect of principal, interest, or fees due under the Loan Papers, or reduces the interest rate or the amount of principal or fees applicable to the Obligation (except such reductions as are contemplated by this Agreement); provided that in those cases where a Participant is entitled to the benefits of Section 2 or a Bank grants Rights to its Participants to approve amendments to or waivers of the Loan Papers respecting the matters previously described in this sentence, such Bank must include a voting mechanism in the relevant participation agreement whereby a majority of such Bank's portion of the Obligation (whether held by such Bank or participated) shall control the vote for all of such Bank's portion of the Obligation. Except in the case of the sale of a participating interest to a Bank, the relevant participation agreement shall not permit the Participant to transfer, pledge, assign, sell participations in, or otherwise encumber its portion of the Obligation.

(c) Subject to the provisions of this Section 9.20, any Bank may, with the prior written consent of the Agent and the Borrower (which will not be unreasonably withheld), sell to one or more financial institutions (each a "Purchaser") a proportionate part (in each case not less than \$5,000,000 and in an integral multiple of \$500,000) of its Rights and obligations under the Loan Papers pursuant to an assignment agreement between such Purchaser and such Bank; provided that each Bank's Loan must be at least 50

percent of its Loan on the date of this Agreement at all times. Upon (i) delivery of an executed copy of the assignment to the Borrower and the Agent and (ii) payment of a fee of \$2500 from such Bank to the Agent, from and after the assignment's effective date (which shall be after the date of such delivery), such Purchaser shall for all purposes be a Bank hereunder and shall have all the Rights and obligations of a Bank hereunder to the same extent as if it were an original party hereto with commitments as set forth in the assignment agreement, and the transferor Bank shall be released from its obligations hereunder to a corresponding extent. Upon any transfer pursuant to this Section 9.20(c), Schedule 1 shall automatically be deemed to reflect the name, address, and Loan of such Purchaser and the Agent shall deliver to the Borrower and the Banks an amended Schedule 1 reflecting such changes. A Purchaser shall be subject to all the provisions in this Section 9.20 the same as if it were a Bank as of the date hereof.

(d) If pursuant to Section 9.20(c) any interest in the Obligation is transferred to any Purchaser which is organized under the laws of any jurisdiction other than the United States of America or any State thereof, the transferor Bank shall cause such Purchaser, concurrently with the effectiveness of such transfer, (i) to represent to the transferor Bank (for the benefit of the transferor Bank, the Agent, and the Borrower) that under applicable Laws and treaties no Taxes will be required to be withheld by the Agent, the Borrower, or the transferor Bank with respect to any payments to be made to such Purchaser in respect of the Obligation, (ii) to furnish to each of the transferor Bank, the Agent, and the Borrower two duly completed copies of either U.S. Internal Revenue Service Form 4224 or U.S. Internal Revenue Service Form 1001 (wherein such Purchaser claims entitlement to complete exemption from U.S. federal withholding tax on all interest payments hereunder), and (iii) to agree (for the benefit of the transferor Bank, the Agent, and the Borrower) to provide the transferor Bank, the Agent, and the Borrower a new Form 4224 or Form 1001 upon the obsolescence of any previously delivered form in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such Purchaser, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

9.21 Confidentiality. All nonpublic information furnished by the Companies to the Agent or the Banks in connection with the Loan Papers and the transactions contemplated thereby will be treated as confidential, but nothing herein contained shall limit or impair the Agent's or any Bank's right, and the Agent and the

Banks shall be entitled, (a) to disclose the same to any Tribunal or as otherwise required by Law or to any prospective or actual Participant or Purchaser or to the respective affiliates, directors, officers, employees, attorneys, and agents of any prospective or actual Participant or Purchaser (provided that such prospective or actual Participant or Purchaser has agreed in writing to comply with this Section 9.21), (b) to use such information to the extent pertinent to an evaluation of the Obligation, (c) to enforce compliance with the terms and conditions of the Loan Papers, and (d) to take any action which the Agent or any Bank deems necessary to protect its interests if an Event of Default has occurred and is continuing.

9.22 Conflicts and Ambiguities. Any conflict or ambiguity between the terms and provisions herein and terms and provisions in any other Loan Paper shall be controlled by the terms and provisions herein.

9.23 General Indemnification. The Borrower shall indemnify, protect, and hold the Agent and the Banks and their respective parents, subsidiaries, directors, officers, employees, representatives, agents, successors, assigns, and attorneys (collectively, the "Indemnified Parties") harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses (including, without limitation, attorneys' fees and legal expenses whether or not suit is brought and settlement costs), and disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Indemnified Parties, in any way relating to or arising out of the Loan Papers or any of the transactions contemplated therein (collectively, the "Indemnified Liabilities"), to the extent that any of the Indemnified Liabilities results, directly or indirectly, from any claim made or action, suit, or proceeding commenced by or on behalf of any Person other than the Indemnified Parties; provided, however, that although each Indemnified Party shall have the Right to be indemnified from its own ordinary negligence, no Indemnified Party shall have the Right to be indemnified hereunder for its own fraud, gross negligence, or willful misconduct. The provisions of and undertakings and indemnification set forth in this paragraph shall survive the satisfaction and payment of the Obligation and termination of this Agreement for the period of time set forth in any applicable statute of limitations.

9.24 Investment Representation. The Notes are being acquired by the Banks for their own respective account for investment and not with the view to, or for sale in connection with, any distribution thereof. The Banks understand that the Notes will not be registered under the Securities Act of 1933 or any securities act of any state pursuant to an exemption from the

registration provisions thereof. Each Bank shall indemnify the Borrower against and hold it harmless from any claim, and any cost or expense therefrom, that the Borrower shall have committed a violation of applicable Law by virtue of the exercise by such Bank of its right to sell participations or make assignments hereunder.

[Remainder of page intentionally blank. Signature pages follow.]

EXECUTED as of the day and year first mentioned.

CENTURY TELEPHONE ENTERPRISES, INC.

By /s/ Glen F. Post, III
Name: Glen F. Post, III
Title: President and Chief
Executive Officer

NATIONSBANK OF TEXAS, N.A.
as the Agent, and a Bank

By /s/ W. H. McClendon, IV
Name: W. H. McClendon, IV
Title: Vice President

Signature Page to that certain Credit Agreement dated as of February 9, 1994, among Century Telephone Enterprises, Inc., as Borrower, NationsBank of Texas, N.A. as Agent, and certain Banks named therein, including the undersigne

EXECUTED the 9th day of February, 1994, but effective as of the date first mentioned on the initial page of this Credit Agreement.

BANK ONE, TEXAS, N.A.
as a Bank

By /s/ Gina A. Norris
(Name)Gina A. Norris
(Title)Vice President

Signature Page to that certain Credit Agreement dated as of February 9, 1994, among Century Telephone Enterprises, Inc., as Borrower, NationsBank of Texas, N.A. as Agent, and certain Banks named therein, including the undersigned.

EXECUTED the 9th day of February, 1994, but effective as of the date first mentioned on the initial page of this Credit Agreement.

THE BANK OF NOVA SCOTIA
as a Bank

By /s/ A. S. Norsworthy
(Name)A.S. Norsworthy
(Title)Assistant Agent

Signature Page to that certain Credit Agreement dated as of February 9, 1994, among Century Telephone Enterprises, Inc., as Borrower, NationsBank of Texas, N.A. as Agent, and certain Banks named therein, including the undersigned.

EXECUTED the 9th day of February, 1994, but effective as of the date first mentioned on the initial page of this Credit Agreement.

FIRST NATIONAL BANK OF COMMERCE
as a Bank

By /s/ Michael P. Kirby
(Name)Michael P. Kirby
(Title)Vice President

Signature Page to that certain Credit Agreement dated as of February 9, 1994, among Century Telephone Enterprises, Inc., as Borrower, NationsBank of Texas, N.A. as Agent, and certain Banks named therein, including the undersigned.

EXECUTED the 9th day of February, 1994, but effective as of the date first mentioned on the initial page of this Credit Agreement.

TEXAS COMMERCE BANK NATIONAL ASSOCIATION
as a Bank

By /s/ Perry B. Stephenson
(Name) Perry B. Stephenson
(Title) Senior Vice President

SCHEDULES

The following Schedules are not filed herewith:

Schedule 1 Parties, Addresses, Commitments, Wiring
Information
Schedule 2 Permitted Liens
Schedule 3.2 Jurisdictions of Incorporation and Business
Schedule 3.3 Subsidiaries
Schedule 3.6 Litigation
Schedule 3.12 Transactions with Affiliates
Schedule 3.17 Business of Companies

Copies of the Schedules listed above will be furnished to the
Securities and Exchange Commission upon request.

EXHIBIT A

FORM OF NOTICE OF BORROWING

_____, 19__

NationsBank of Texas, N.A.
as Agent for the Banks as defined in
the Credit Agreement referred to below
NationsBank Plaza, 67th Floor
901 Main Street
Dallas, TX 75202
Attn: Communications Finance

Reference is made to the Credit Agreement dated as of
February 9, 1994 (as amended, supplemented, or replaced from time
to time, the "Credit Agreement"), among the undersigned, the
Banks named therein, and NationsBank of Texas, N.A. as Agent.
Capitalized terms used herein and not otherwise defined herein
shall have the meanings assigned to such terms in the Credit
Agreement. The undersigned hereby gives you notice pursuant to
Section 2.2 of the Credit Agreement that it requests a Borrowing
under the Credit Agreement, and in that connection sets forth
below the terms on which such Borrowing is requested to be made:

- (A) Borrowing Date of Borrowing (a Business Day)
- (B) Principal Amount of Borrowing*
- (C) Type of Loan**
- (D) Interest Period and the last day thereof***

On the date the rate is set, please confirm the interest rate below and return by facsimile transmission to our Director of Cash Management, 318-388-9602.

Very truly yours,

CENTURY TELEPHONE ENTERPRISES, INC.

By _____
 Name:
 Title:

Rate: _____

Confirmed by: _____

* Not less than \$500,000 or greater than \$90,000,000 minus other outstanding Borrowings and in integral multiples of \$100,000.

** Eurodollar Loan, CD Loan, or Base Loan.

*** Eurodollar Loan -- 1, 2, 3, or 6 months.

CD Loan -- 30, 60, 90, or 180 days.

Base Loan -- 90 or fewer days.

In no event may the interest period end after the Maturity Date.

EXHIBIT B

FORM OF NOTE

\$ _____, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of _____ (the "Bank") on or before the Maturity Date the lesser of (i) _____ (\$ _____) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank

to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings provisions.

This note is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity, construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By _____
Name:
Title:

EXHIBIT C

FORM OF OPINION OF BORROWER'S COUNSEL

_____, 19____

NationsBank of Texas, N.A.,
as Agent for the Banks as defined in
the Credit Agreement referred to below
NationsBank Plaza, 67th Floor
901 Main Street
Dallas, TX 75202
Attn:Communications Finance

We have acted as counsel for Century Telephone Enterprises, Inc., a Louisiana corporation (the "Borrower"), in connection with the execution and delivery of the \$90,000,000 Credit Agreement of even date herewith (the "Credit Agreement") among the Borrower, the Agent, and the Banks party thereto.

This opinion is delivered to you pursuant to Section 4.1 of the Credit Agreement and upon the express instruction of the Borrower. Unless defined herein, capitalized terms have the meanings given to such terms in the Credit Agreement.

In connection with this opinion, we have examined executed copies of the Credit Agreement and Notes executed by Borrower and payable to each Bank (collectively, the "Loan Papers"). We have also examined and relied upon the representations and warranties as to factual matters contained in or made pursuant to the Loan Papers and such corporate documents and records of the Borrower, certificates of public officials, officers of the Borrower, and such other documents as we have deemed necessary or appropriate for the purposes of this opinion. In stating our opinion, we have assumed the genuineness of all signatures of, and the authority of, persons signing the Loan Papers on behalf of the parties thereto other than the Borrower, the authenticity of all documents submitted to us as originals, the conformity to authentic original documents of all documents submitted to us as certified, conformed, or photostatic copies, and that all documents, books, and records made available to us by the Borrower are accurate and complete.

We are qualified to practice law in the State of Louisiana and our opinion is restricted to the laws of the State and the federal law of the United States of America. We have assumed that insofar as the substantive laws of states other than Louisiana that may be applicable to any matters opined on herein, such laws are identical to the substantive laws of the State of Louisiana applied by us herein.

Based upon the foregoing, we are of the opinion that:

1. The Borrower and each Significant Subsidiary are each a corporation duly organized, validly existing, and in good standing under the laws of its state of incorporation. Except where failure would not reasonably be expected to have a Material Adverse Effect, the Borrower and each Significant Subsidiary (a) are each duly qualified to transact business and are in good standing as a foreign corporation in each jurisdiction where the nature and extent of its business and properties require the same and (b) each possesses all requisite authority, power, licenses, permits, and franchises to conduct its business as is now being conducted. The Borrower possesses all requisite authority,

power, licenses, permits, and franchises to execute, deliver, and comply with the terms of the Loan Papers, all which have been duly authorized and approved by all necessary corporate action and, except where failure would not reasonably be expected to have a Material Adverse Effect, for which no approval or consent of any Person or Tribunal is required which has not been obtained and no filing or other notification to any Person or Tribunal is required which has not been properly completed.

2. The Borrower is not, nor will the execution, delivery, performance, or observance of the Loan Papers cause the Borrower to be, (a) to the best of our knowledge, in violation of any laws or any Material Agreements to which it is a party, other than such violations which would not reasonably be expected to have a Material Adverse Effect, or (b) in violation of its bylaws or charter.

3. We have no knowledge of any Material Litigation or outstanding or unpaid Material judgments against the Borrower, except as described on Schedule 3.6 attached to the Credit Agreement.

4. The Borrower is not (a) a "holding company," a "subsidiary company" of a "holding company," an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company," or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended, (b) a "public utility" within the meaning of the Federal Power Act, as amended, (c) an "investment company" or "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, (d) an "investment advisor" within the meaning of the Investment Advisors Act of 1940, as amended, or (e) subject to the jurisdiction of the Federal Communications Commission or any public service commission as a common carrier.

5. Each of the Loan Papers constitutes a valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by (a) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium, or other similar laws affecting creditors' rights generally, (b) general principles of equity (whether enforcement is sought by proceedings in equity or at law), and (c) the qualification that certain provisions of the Loan Papers may be unenforceable in whole or in part under the laws of the State, but the inclusion of such provisions does not affect the validity of any Loan Paper and each Loan Paper contains adequate provisions for enforcing payment of the Obligations secured thereby or provided for therein, as the case may be, and for the practical realization of the rights and benefits afforded thereby, though they may result in delays thereof (and we express no opinion as to the economic

consequences, if any, of such delays).

6. To our knowledge, without independent verification, the Borrower's Subsidiaries are legally empowered by franchise, permit, or otherwise to operate their respective properties in the territory or territories in which such corporations now operate, and based upon facts known to us and applicable law currently in effect, such operations may continue to be conducted as they now are being conducted.

7. The Borrower owns, beneficially and of record, directly or indirectly, all of the issued and outstanding capital shares of each Significant Subsidiary, and such shares are validly issued, fully paid, and nonassessable and are so owned by the Borrower free and clear of all Liens, except as may be indicated on Schedule 3.3 attached to the Credit Agreement.

8. Under the circumstances of the transactions as contemplated by the Credit Agreement, courts of the State of Louisiana would honor the choice of law agreed to by the parties in the Credit Agreement.

This opinion is furnished solely in connection with the transactions referred to in the Credit Agreement and may not, without our permission, be circulated to any Person, except you, your legal counsel, the Banks, bank supervisory authorities, prospective Participants or Purchasers, or as required by law or order of a court or other legal process and may not be relied upon except by you, your legal counsel, the Banks or actual Participants or Purchasers.

Very truly yours,

BOLES, BOLES & RYAN

EXHIBIT D

FINANCIAL REPORT CERTIFICATE
FOR _____ ENDED _____ , 19__

AGENT: NationsBank of Texas, N.A.

DATED AS OF: _____ , 19__

BORROWER: Century Telephone Enterprises, Inc.

This certificate is delivered pursuant to Section 5.3 of the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Borrower, the Banks, the Agent, and the Auction Administration Agent. Unless defined herein, capitalized terms have the meanings given to such terms in the Credit Agreement.

I certify to the Agent that I am the _____ (president, chief financial officer, or treasurer) of the Borrower on the date hereof and that:

(i) The Financial Statements attached hereto were prepared in accordance with GAAP and present fairly the consolidated financial condition and results of operations of the Companies as of, and for the _____ ended, _____, 19 (the "Subject Period").

(ii) A review of the Borrower's activities during the Subject Period has been made under my supervision with a view to determining whether, during the Subject Period, the Borrower has kept, observed, performed and fulfilled all of its obligations under the Loan Papers, and during the Subject Period, to my knowledge, the Borrower kept, observed, performed and fulfilled each and every covenant and condition of the Loan Papers in all material respects (except for any deviations set forth on the attached schedule).

(iii) During the Subject Period, no Event of Default has occurred which has not been cured or waived (except for any Events of Default set forth on the attached schedule).

(iv) Evidence of compliance by Borrower with Sections 5.23 and 5.24 of the Credit Agreement as of the last day of the Subject Period is set forth on the attached schedule.

(v) This certificate is being delivered on behalf of the Borrower. No person or entity other than the Agent and the Banks (collectively, the "Subject Recipients") shall be entitled to receive or rely upon this certificate for any purpose. The Subject Recipients agree by their acceptance hereof that (a) they shall look solely to the Borrower for any loss, cost, damage, expense, claim, demand, suit or cause of action arising out of or relating in any way to this certificate or its preparation and delivery, and (b) the undersigned shall not under any circumstances have any personal liability whatsoever for the preparation or execution of this certificate.

By: _____

Name:

Title:

NOTE

\$25,000,000

February 9, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of Bank One, Texas, N.A. (the "Bank") on or before the Maturity Date the lesser of (i) Twenty-Five Million and No/100 Dollars (\$25,000,000) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings provisions.

This note is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity, construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By /s/ Glen F. Post, III

Name:Glen F. Post, III

Title:President and Chief Executive
Officer

NOTE

\$8,000,000

February 9, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of The Bank of Nova Scotia (the "Bank") on or before the Maturity Date the lesser of (i) Eight Million and No/100 Dollars (\$8,000,000) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings provisions.

This note is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity,

construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By /S/ Glen F. Post, III

Name: Glen F. Post, III
Title: President and Chief
Executive Officer

NOTE

\$8,000,000

February 9, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of First National Bank of Commerce (the "Bank") on or before the Maturity Date the lesser of (i) Eight Million and No/100 Dollars (\$8,000,000) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings provisions.

This note is being executed and delivered, and is

intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity, construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By /s/ Glen F. Post, III

Name:Glen F. Post, III

Title:President and Chief Executive
Officer

NOTE

\$37,000,000

February 9, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of NationsBank of Texas, N.A. (the "Bank") on or before the Maturity Date the lesser of (i) Thirty-Seven Million and No/100 Dollars (\$37,000,000) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings

provisions.

This note is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity, construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By /s/ Glen F. Post, III

Name:Glen F. Post, III

Title:President and Chief Executive
Officer

NOTE

\$12,000,000

February 9, 1994

FOR VALUE RECEIVED, the undersigned, CENTURY TELEPHONE ENTERPRISES, INC., a Louisiana corporation (the "Company"), hereby promises to pay to the order of Texas Commerce Bank, National Association (the "Bank") on or before the Maturity Date the lesser of (i) Twelve Million and No/100 Dollars (\$12,000,000) and (ii) the aggregate amount of Loans made by the Bank to the Company and outstanding on the Maturity Date. The principal amount of each Loan made by the Bank to the Company pursuant to the Credit Agreement (as hereinafter defined) shall be due and payable on the last day of the Interest Period for such Loan.

This note has been executed and delivered under, and is subject to the terms of, the Credit Agreement dated as of February 9, 1994 (as amended, supplemented, or replaced from time to time, the "Credit Agreement"), among the Company, the Banks and the Agent, and is one of the "Notes" referred to therein. Unless defined herein or the context otherwise requires, capitalized terms used herein have the meaning given to such terms in the Credit Agreement. Reference is made to the Credit Agreement for provisions affecting this note regarding applicable interest rates, principal and interest payment dates, final maturity, voluntary and mandatory prepayments, acceleration of maturity, exercise of Rights, payment of attorneys' fees, court costs and other costs of collection, certain waivers by the Company and others now or hereafter obligated for payment of any

sums due hereunder and security for the payment hereof. Without limiting the immediately preceding sentence, reference is made to Section 9.12 of the Credit Agreement for usury savings provisions.

This note is being executed and delivered, and is intended to be performed, in the State of Texas, and the Laws of such State and of the United States of America shall govern the Rights and duties of the Company and the Bank and the validity, construction, enforcement, and interpretation hereof.

CENTURY TELEPHONE ENTERPRISES, INC.

By /s/ Glen F. Post, III

Name:Glen F. Post, III

Title:President and Chief Executive
Officer

CENTURY TELEPHONE ENTERPRISES, INC.
DOLLARS & SENSE PLAN AND TRUST

FIRST AMENDMENT
Effective January 1, 1993

Century Telephone Enterprises, Inc. hereby amends the Century Telephone Enterprises, Inc. Dollars & Sense Plan and Trust, effective as of January 1, 1993, as follows:

Section 5.1(b) of the Plan is hereby deleted in its entirety and the following is inserted in lieu thereof.

- (b) Allocation Method. The Match Contributions for each period shall be a percentage of each eligible Participant's Pre-Tax Contributions for the period, as determined by the Board of Directors of the Employer by resolution thereof, provided that no Match Contributions shall be made based upon a Participant's Contributions in excess of six percent (6%) of his or her pay for such period.

The Match Contribution percentage in effect as of the effective date of this amendment shall remain in force and effect until modified by a resolution of the Board of Directors, and each Match Contribution percentage established by the Board of Directors thereafter shall remain in force and effect until modified by a subsequent resolution of the Board of Directors.

Date: April 1, 1993
Inc.

Century Telephone Enterprises,

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

Accepted by Trustee:

Date: May 18, 1993
Association

Wells Fargo Bank, National

By: /s/ Dolores Upton

Title Vice President

Date: May 19, 1993
Association

Wells Fargo Bank, National

By: /s/ Katherine M. Olson

TitleAssistant Vice

President

Trust Officer

CENTURY TELEPHONE ENTERPRISES, INC.
DOLLARS & SENSE PLAN AND TRUST

SECOND AMENDMENT

Effective April 1, 1993

Century Telephone Enterprises, Inc. hereby amends the Century Telephone Enterprises, Inc. Dollars & Sense Plan and Trust, effective as of April 1, 1993, as follows:

Section 1.29 of the Plan is hereby deleted in its entirety and the following is inserted in lieu thereof.

1.29 "Pay". The base pay paid to an Eligible Employee by an Employer while a Participant during the current period. In addition, Pay shall include commissions paid to salespersons, but only for salespersons who receive both a salary and commissions.

Pay is neither increased nor decreased by any salary credit or reduction pursuant to Code sections 125 or 402(a)(8). Pay is limited to \$200,000 (as indexed for the cost of living pursuant to Code sections 401(a)(17) and 415(d) per Plan Year.

Date: April 1, 1993
Inc.

Century Telephone Enterprises,

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

Accepted by Trustee:

Date: May 18, 1993
Association

Wells Fargo Bank, National

By: /s/ Dolores Upton

TitleVice President

Date: May 19, 1993
Association

Wells Fargo Bank, National

By: /s/ Katherine M. Olson

TitleAssistant Vice

President

Trust Officer

CENTURY TELEPHONE ENTERPRISES, INC.
DOLLARS & SENSE PLAN AND TRUST

THIRD AMENDMENT

Effective April 9, 1993

Century Telephone Enterprises, Inc. hereby amends the Century Telephone Enterprises, Inc. Dollars & Sense Plan and Trust, effective as of April 9, 1993, as follows:

The following sentence is hereby inserted at the end of Section 1.17 of the Plan:

Notwithstanding the foregoing, San Marcos Telephone Company, Inc., SMTelecorp, Inc., and subsidiaries thereof, and any successors thereto by merger or otherwise, shall become participating Employers under the Plan as of the first payperiod commencing on or after June 20, 1993.

Date: June 10, 1993
Inc.

Century Telephone Enterprises,

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

Accepted by Trustee:

Date: August 3, 1993
Association

Wells Fargo Bank, National

By: /s/ Katherine M. Olson

TitleAssistant Vice

President

Date: August 3, 1993
Association

Wells Fargo Bank, National

By: /s/ Peter H. Sorensen

Amendment No. 4
to the
Century Telephone Enterprises, Inc.
Dollars & Sense Plan and Trust

WHEREAS, Century Telephone Enterprises, Inc. approved and adopted the Century Telephone Enterprises, Inc. Dollars & Sense Plan (the "Plan") and Trust Agreement (the "Trust") which were originally effective May 1, 1986, and most recently restated effective April 1, 1992, and subsequently amended;

WHEREAS, Section 19.1 of the Plan provides that the Company reserves the right to amend the Plan and Trust;

NOW THEREFORE RESOLVED, that the Plan is amended effective July 1, 1993, as follows:

1. Section 16 is amended to revise subsection 16.2 to add a new subsection (e) and redesignate the existing subsection (e) as (f) as follows:

16.2 Investment Funds

(e) shares of a registered investment company, whether or not the Trustee or any of its affiliates is an advisor to, or other service provider to, such company, which the Trustee designates as a permissible asset under the Plan; and

2. Section 16 is amended to add a new subsection 16.6 and to redesignate the existing subsections 16.6 through 16.9 as 16.7 through 16.10 as follows:

16.6 Voting and Shareholder Rights of Registered Investment Company Shares

The Administrator shall be entitled to vote proxies or exercise any shareholder rights relating to shares held on behalf of the Plan in a registered investment company, whether or not the Trustee or any of its affiliates is an advisor to, or other service provider to, such company.

Date: December 6, 1993
Inc.

Century Telephone Enterprises,

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

CENTURY TELEPHONE ENTERPRISES, INC.
DOLLARS & SENSE PLAN AND TRUST

Senior Vice President and
Chief Financial Officer
Amendment No. 4

The provisions of the above amendment which relate to the Trustee
are hereby approved and executed.

Date: December 10, 1993
Association

Wells Fargo Bank, National

By: /s/ Dolores Upton

Title Vice President

Wells Fargo Bank, National

Association

By: /s/ Frances Williams

Title Vice President

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

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 1st day of June, 1993, before me, a Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

Century Telephone Enterprises, Inc., represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor and Employer, which hereby executes the following amendment to the Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust, such amendment to be effective January 1, 1994:

Delete the first sentence of Section 1.17 and insert the following in lieu thereof:

A computation period during which an Employee has completed at least one thousand (1000) Hours of Service.

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

WITNESSES

CENTURY TELEPHONE ENTERPRISES,

INC.

/s/ Sandra B. Post

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

/s/ Kay Buchar

/s/ Elvis C. Stout
Notary Public
ACCEPTANCE OF AMENDMENT BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 15th day of June, 1993,

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

FIRST AMERICAN BANK & TRUST OF LOUISIANA

which declared that it is appearing herein for the purpose of
accepting and it does hereby accept the amendment to the Century
Telephone Enterprises, Inc. Employee Stock Ownership Plan and
Trust adopted by the Settlor on June 1, 1993.

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

WITNESSES
LOUISIANA

FIRST AMERICAN BANK AND TRUST OF

/s/ Linda G. Todd

By /s/ William W. Keith
William W. Keith, Executive
Vice President and Trust

Officer

/s/ Ashley J. Akus

/s/ Cathy M. Yelverton
Notary Public
AMENDMENTS TO THE
CENTURY TELEPHONE ENTERPRISES, INC.
EMPLOYEE STOCK OWNERSHIP PLAN AND TRUST

STATE OF LOUISIANA

PARISH OF OUACHITA

BE IT KNOWN, that on this 10th day of June, 1993, before me, a Notary Public, duly commissioned and qualified in and for the Parish of Ouachita, State of Louisiana, therein residing and in the presence of the undersigned witnesses:

PERSONALLY CAME AND APPEARED:

Century Telephone Enterprises, Inc., represented herein by its Senior Vice President and Chief Financial Officer, R. Stewart Ewing, Jr., as Settlor and Employer, which hereby executes the following amendments to the Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust, such amendments to be effective April 9, 1993:

Add the following paragraph at the end of Section 1.7:

For employees of San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, who become participants in the Plan on or after June 20, 1993, Compensation for the Plan Year ending December 31, 1993 shall be recognized commencing as of the effective date of participation of each such employee pursuant to Section 2.1

Add the following paragraph as Section 1.17(f):

(f) Service with San Marcos Telephone Company, Inc., SM Telecorp, Inc., and subsidiaries thereof, and any successors thereto by merger or otherwise, shall be counted for all purposes under this Plan.

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

WITNESSES

CENTURY TELEPHONE ENTERPRISES,

INC.

/s/ Linda Vaughn

By /s/ R. Stewart Ewing, Jr.

R. Stewart Ewing, Jr.

Senior Vice President and

Chief Financial Officer

/s/ Sherry Bowen

/s/ Kathy Tettleton

Notary Public

ACCEPTANCE OF AMENDMENTS BY TRUSTEE

STATE OF LOUISIANA

PARISH OF OUACHITA

On this 10th day of June, 1993,

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

FIRST AMERICAN BANK & TRUST OF LOUISIANA

which declared that it is appearing herein for the purpose of accepting and it does hereby accept the amendments to the Century Telephone Enterprises, Inc. Employee Stock Ownership Plan and Trust adopted by the Settlor on June 10, 1993.

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

WITNESSES
LOUISIANA

FIRST AMERICAN BANK AND TRUST OF

/s/ Lisa K. McGivney

By /s/ William W. Keith

William W. Keith, Executive

Vice

/s/ Ashley J. Akus

President and Trust Officer

/s/ Cathy M. Yelverton

Notary Public

CENTURY TELEPHONE ENTERPRISES, INC.

COMPUTATIONS OF EARNINGS PER SHARE

<TABLE>
<CAPTION>

	Year ended December 31,		
	1993	1992	1991
	(expressed in thousands, except per share amounts)		
<S>	<C>	<C>	<C>
Income before cumulative effect of changes in accounting principles	\$ 69,004	59,973	37,419
Dividends applicable to preferred stock	(24)	(24)	(24)
Income before cumulative effect of changes in accounting principles applicable to common stock	68,980	59,949	37,395
Dividends applicable to preferred stock	24	24	24
Interest on 6% convertible debentures, net of taxes	4,583	4,201	-
Income before cumulative effect of changes in accounting principles as adjusted for purposes of computing fully diluted earnings per share	\$ 73,587	64,174	37,419
Net income	\$ 69,004	44,305	37,419
Dividends applicable to preferred stock	(24)	(24)	(24)
Net income applicable to common stock	68,980	44,281	37,395
Dividends applicable to preferred stock	24	24	24
Interest on 6% convertible debentures, net of taxes	4,583	-	-
Net income as adjusted for purposes of computing fully diluted earnings per share	\$ 73,587	44,305	37,419

Weighted average number of shares:			
Outstanding during period	50,512	47,982	46,583
Common stock equivalent shares	694	518	722
<hr/>			
Number of shares for computing primary earnings per share	51,206	48,500	47,305
Incremental common shares attributable to additional dilutive effect of convertible securities	4,686	4,314	127
<hr/>			
Number of shares as adjusted for purposes of computing fully diluted earnings per share before cumulative effect of changes in accounting principles	55,892	52,814	47,432
Less antidilutive effect of 6% convertible debentures	-	(4,161)	-
<hr/>			
Number of shares as adjusted for purposes of computing fully diluted earnings per share	55,892	48,653	47,432
=====			

</TABLE>

CENTURY TELEPHONE ENTERPRISES, INC.

COMPUTATIONS OF EARNINGS PER SHARE

	Year ended December 31,		
	1993	1992	1991
<hr/>			
Primary earnings per share:			
Income before cumulative effect of changes in accounting principles	\$ 1.35	1.23	.79
Cumulative effect of changes in accounting principles	-	(.32)	-
<hr/>			
Primary earnings per share	\$ 1.35	.91	.79
=====			

Fully diluted earnings per share:

Income before cumulative effect of changes in accounting principles	\$ 1.32	1.22	.79
Cumulative effect of changes in accounting principles	-	(.31)	-
<hr/>			
Fully diluted earnings per share	\$ 1.32	.91	.79
<hr/> <hr/>			

CENTURY TELEPHONE ENTERPRISES, INC.
 SUBSIDIARIES OF THE REGISTRANT
 AS OF DECEMBER 31, 1993

Subsidiary	State of incorporation
Adamsville Telephone Company, Inc.	Tennessee
Caddoan Telephone Co.	Louisiana
Central Indiana Telephone Company, Inc.	Indiana
Central Louisiana Telephone Company, Inc.	Louisiana
Century Area Long Lines (CALL), Inc.	Wisconsin
Century Business Communications, Inc.	Louisiana
Century Cellunet, Inc.	Louisiana
Century Cellunet of Alexandria, Inc.	Louisiana
Century Cellunet of Battle Creek, Inc.	Louisiana
Century Cellunet of Jackson, Inc.	Louisiana
Century Cellunet of LaCrosse, Inc.	Louisiana
Century Cellunet of Lansing, Inc.	Delaware
Century Cellunet of Michigan RSAs, Inc.	Louisiana
Century Cellunet of Minnesota RSA #6, Inc.	Minnesota
Century Cellunet of North Arkansas, Inc.	Louisiana
Century Cellunet of North Louisiana, Inc.	Louisiana
Century Cellunet of Saginaw, Inc.	Louisiana
Century Cellunet of Shreveport, Inc.	Louisiana
Century Cellunet of South Arkansas, Inc.	Louisiana
Century Cellunet of Southern Michigan, Inc.	Delaware
Century Cellunet of Texarkana, Inc.	Louisiana
Century Investments, Inc.	Louisiana
Century Paging, Inc.	Louisiana
Century Service Group, Inc.	Louisiana
Century Supply Group, Inc.	Louisiana
Century Telecommunications, Inc.	Texas
Century Telelink, Inc.	Louisiana
Century Telephone Company, Inc.	Louisiana
Century Telephone Midwest, Inc.	Michigan
Century Telephone of Arkansas, Inc.	Arkansas
Century Telephone of Idaho, Inc.	Delaware
Century Telephone of Michigan, Inc.	Michigan
Century Telephone of North Louisiana, Inc.	Louisiana
Century Telephone of North Mississippi, Inc.	Mississippi
Century Telephone of Ohio, Inc.	Ohio
Century Telephone of San Marcos, Inc.	Texas
Century Telephone of Wisconsin, Inc.	Wisconsin
Chatham Telephone Co., Inc.	Louisiana
Chester Telephone Company	Iowa
Claiborne Telephone Company	Tennessee
Coastal Telephone & Electronics Corporation	Louisiana
Evangeline Telephone Company	Louisiana

Forestville Telephone Company, Inc.	Wisconsin
Larsen-Readfield Telephone Company	Wisconsin
Louisiana Western Telephone Co.	Louisiana
Metro Access Networks, Inc.	Delaware
Monroe County Telephone Company	Wisconsin
Mountain Home Telephone Co., Inc.	Arkansas
Mustang Telephone Company	Texas
Odon Telephone Co., Inc.	Indiana
Ooltewah-Collegedale Telephone Company	Tennessee
Redfield Telephone Company, Inc.	Arkansas
Solon Springs Telephone Co.	Wisconsin
Union Telephone Company, Inc.	Arkansas
Universal Cellular for Arizona RSA #3-B, Inc.	Arizona
Universal Telephone, Inc.	Wisconsin
Universal Telephone Company of Colorado	Colorado
Universal Telephone Company of Northern Wisconsin, Inc.	Wisconsin
Universal Telephone Company of Southwest	New Mexico

Certain of the Company's smaller subsidiaries have been intentionally omitted from this exhibit pursuant to rules and regulations of the Securities and Exchange Commission.

Independent Auditors' Consent

The Board of Directors
Century Telephone Enterprises, Inc.:

We consent to incorporation by reference in the Registration Statements (No. 33-17114 and No. 33-47211) on Form S-3, the Registration Statements (No. 33-5836, No. 33-17113, No. 33-46562, and No. 33-48554) on Form S-8, the Registration Statements (No. 33-31314 and No. 33-46473) on combined Form S-8 and Form S-3, and the Registration Statements (No. 33-39196, No. 33-48956, and No. 33-50791) on Form S-4 of Century Telephone Enterprises, Inc. of our report dated February 4, 1994, relating to the consolidated balance sheets of Century Telephone Enterprises, Inc. and subsidiaries as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity, and cash flows and related Financial Statement Schedules for each of the years in the three-year period ended December 31, 1993, which report appears in the December 31, 1993 annual report on Form 10-K of Century Telephone Enterprises, Inc. Our report refers to changes in the methods of accounting for income taxes and postretirement benefits other than pensions in 1992.

KPMG PEAT MARWICK

Shreveport, Louisiana
March 16, 1994