

CenturyLink, Inc.

Quarterly Earnings Supplement

As of March 31, 2013

Disclosures:

The information presented herein is intended to supplement our financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) and related analysis contained in the annual, quarterly and current reports filed by us with the Securities and Exchange Commission (the “SEC”). Please refer to those reports for additional information about our financial performance.

The pro forma information presented within reflects the operations of CenturyLink, Qwest and Savvis assuming their respective results of operations had been combined as of January 1, 2010. The pro forma information presented (i) has not been prepared in accordance with GAAP, (ii) is for illustrative purposes only, and (iii) is not necessarily indicative of the combined operating results that would have occurred if the Qwest and Savvis mergers had been consummated as of January 1, 2010.

You are urged to consider any pro forma or other non-GAAP measures included herein in addition to, and not in substitution for, measures prepared in accordance with GAAP. You are also urged to read carefully the endnotes to this supplement, which describe adjustments reflected in our pro forma data.

CenturyLink, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(UNAUDITED)

(Dollars in millions, except per share amounts; shares in thousands)

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
CONDENSED CONSOLIDATED STATEMENTS OF INCOME								
OPERATING REVENUES								
Strategic services	\$ 1,991	1,996	2,033	2,058	2,078	2,101	2,124	2,142
Legacy services	2,280	2,225	2,178	2,141	2,098	2,045	2,003	1,974
Data integration	151	166	188	145	170	168	189	140
Other	247	246	254	266	266	257	267	257
Total Operating Revenues	4,669	4,633	4,653	4,610	4,612	4,571	4,583	4,513
OPERATING EXPENSES								
Cash expenses	2,953	2,848	2,868	2,748	2,747	2,691	2,697	2,614
Depreciation and amortization	1,245	1,240	1,252	1,208	1,208	1,144	1,220	1,117
Total Operating Expenses	4,198	4,088	4,120	3,956	3,955	3,835	3,917	3,731
OPERATING INCOME	471	545	533	654	657	736	666	782
OPERATING CASH FLOW								
Operating Cash Flow Margin	36.8%	38.5%	38.4%	40.4%	40.4%	41.1%	41.2%	42.1%
OTHER INCOME (EXPENSE)								
Interest expense	(312)	(327)	(340)	(343)	(335)	(326)	(315)	(316)
Other income (expense)	(14)	7	(1)	20	(199)	12	23	39
Income tax expense	(62)	(91)	(83)	(131)	(49)	(152)	(141)	(207)
NET INCOME	\$ 83	134	109	200	74	270	233	298
EARNINGS PER COMMON SHARE-DILUTED	\$ 0.13	0.22	0.18	0.32	0.12	0.43	0.37	0.48
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING-DILUTED	614.5	616.6	618.5	620.4	621.8	623.3	623.7	621.1

*See Endnote 1. Management believes that the presentation of this pro forma information will assist users in their understanding of the combined company's operating performance.

CenturyLink, Inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)

(Dollars in millions)

	<u>March 31,</u> <u>2012</u>	<u>June 30,</u> <u>2012</u>	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2012</u>	<u>March 31,</u> <u>2013</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,530	281	194	211	476
Other current assets	<u>3,352</u>	<u>3,566</u>	<u>3,639</u>	<u>3,402</u>	<u>3,399</u>
Total current assets	<u>4,882</u>	<u>3,847</u>	<u>3,833</u>	<u>3,613</u>	<u>3,875</u>
NET PROPERTY, PLANT AND EQUIPMENT					
Property, plant and equipment	30,178	30,623	31,288	32,086	32,571
Accumulated depreciation	<u>(10,893)</u>	<u>(11,569)</u>	<u>(12,275)</u>	<u>(13,054)</u>	<u>(13,746)</u>
Net property, plant and equipment	<u>19,285</u>	<u>19,054</u>	<u>19,013</u>	<u>19,032</u>	<u>18,825</u>
GOODWILL AND OTHER ASSETS					
Goodwill	21,732	21,732	21,732	21,732	21,733
Other, net	<u>10,939</u>	<u>10,457</u>	<u>10,054</u>	<u>9,643</u>	<u>9,296</u>
Total goodwill and other assets	<u>32,671</u>	<u>32,189</u>	<u>31,786</u>	<u>31,375</u>	<u>31,029</u>
TOTAL ASSETS	\$ <u>56,838</u>	<u>55,090</u>	<u>54,632</u>	<u>54,020</u>	<u>53,729</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Current maturities of long-term debt	\$ 2,200	1,903	1,198	1,205	1,193
Other current liabilities	<u>3,443</u>	<u>3,304</u>	<u>3,733</u>	<u>3,390</u>	<u>3,390</u>
Total current liabilities	5,643	5,207	4,931	4,595	4,583
LONG-TERM DEBT	20,667	19,682	19,508	19,400	19,595
DEFERRED CREDITS AND OTHER LIABILITIES	9,890	9,890	9,996	10,736	10,695
STOCKHOLDERS' EQUITY	<u>20,638</u>	<u>20,311</u>	<u>20,197</u>	<u>19,289</u>	<u>18,856</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ <u>56,838</u>	<u>55,090</u>	<u>54,632</u>	<u>54,020</u>	<u>53,729</u>

See the notes to our consolidated financial statements as reported in our Annual Report on Form 10-K for the year ended December 31, 2012, as updated and supplemented by our subsequent reports filed with the SEC.

CenturyLink, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Dollars in millions)

	Three Months Ended March 31, 2012	Six Months Ended June 30, 2012	Nine Months Ended September 30, 2012	Twelve Months Ended December 31, 2012	Three Months Ended March 31, 2013
OPERATING ACTIVITIES					
Net income	\$ 200	274	544	777	298
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation and amortization	1,208	2,416	3,560	4,780	1,117
Deferred income taxes	115	137	260	394	166
Provision for uncollectible accounts	56	103	144	187	27
Net (gain) loss on early retirement of debt	(8)	194	194	179	-
Changes in current assets and current liabilities, net	56	(188)	111	(224)	(29)
Retirement benefits	(75)	(163)	(179)	(169)	(178)
Changes in other noncurrent assets and liabilities	47	53	91	161	14
Other, net	(16)	(27)	(39)	(20)	(18)
Net cash provided by operating activities	<u>1,583</u>	<u>2,799</u>	<u>4,686</u>	<u>6,065</u>	<u>1,397</u>
INVESTING ACTIVITIES					
Payments for property, plant and equipment and capitalized software	(678)	(1,305)	(2,024)	(2,919)	(663)
Proceeds from sale of property and intangible assets	-	133	133	191	75
Other, net	15	(3)	28	38	(6)
Net cash used in investing activities	<u>(663)</u>	<u>(1,175)</u>	<u>(1,863)</u>	<u>(2,690)</u>	<u>(594)</u>
FINANCING ACTIVITIES					
Net proceeds from issuance of long-term debt	2,032	3,361	3,363	3,362	988
Payments of long-term debt	(849)	(3,630)	(4,529)	(5,118)	(56)
Early retirement of debt costs	-	(324)	(324)	(346)	-
Net borrowings (payments) on credit facility	(277)	(27)	3	543	(745)
Dividends paid	(452)	(905)	(1,357)	(1,811)	(341)
Proceeds from issuance of common stock	35	65	91	110	13
Repurchase of common stock	(11)	(20)	(20)	(37)	(397)
Other, net	3	7	14	2	-
Net cash (used in) provided by financing activities	<u>481</u>	<u>(1,473)</u>	<u>(2,759)</u>	<u>(3,295)</u>	<u>(538)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,402	153	66	83	265
Cash and cash equivalents at beginning of period	<u>128</u>	<u>128</u>	<u>128</u>	<u>128</u>	<u>211</u>
Cash and cash equivalents at end of period	<u>\$ 1,530</u>	<u>281</u>	<u>194</u>	<u>211</u>	<u>476</u>

See the notes to our consolidated financial statements as reported in our Annual Report on Form 10-K for the year ended December 31, 2012, as updated and supplemented by our subsequent reports filed with the SEC.

CenturyLink, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME, EXCLUDING SPECIAL ITEMS - NON-GAAP*
(UNAUDITED)

(Dollars in millions, except per share amounts; shares in thousands)

	Pro forma 2Q11**	Pro forma 3Q11**	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
CONDENSED CONSOLIDATED STATEMENTS OF INCOME								
OPERATING REVENUES								
Strategic services	\$ 1,991	1,996	2,033	2,058	2,078	2,101	2,124	2,142
Legacy services	2,280	2,225	2,178	2,141	2,098	2,045	2,003	1,974
Data integration	151	166	188	145	170	168	189	140
Other	247	246	254	266	266	257	267	257
Total Operating Revenues	4,669	4,633	4,653	4,610	4,612	4,571	4,583	4,513
OPERATING EXPENSES								
Cash expenses	2,690	2,739	2,807	2,666	2,712	2,672	2,670	2,580
Depreciation and amortization	1,245	1,240	1,252	1,208	1,208	1,189	1,220	1,117
Total Operating Expenses	3,935	3,979	4,059	3,874	3,920	3,861	3,890	3,697
OPERATING INCOME	734	654	594	736	692	710	693	816
OPERATING CASH FLOW								
Operating Cash Flow Margin	42.4%	40.9%	39.7%	42.2%	41.2%	41.5%	41.7%	42.8%
OTHER INCOME (EXPENSE)								
Interest expense	(317)	(327)	(340)	(343)	(335)	(326)	(315)	(316)
Other income (expense)	2	7	5	7	3	6	5	2
Income tax expense	(173)	(130)	(108)	(157)	(142)	(153)	(143)	(199)
NET INCOME	\$ 246	204	151	243	218	237	240	303
EARNINGS PER COMMON SHARE-DILUTED	\$ 0.40	0.33	0.24	0.39	0.35	0.38	0.38	0.49
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING-DILUTED	614.5	616.6	618.5	620.4	621.8	623.3	623.7	621.1

*Includes certain adjustments to GAAP operating results for certain special items. In addition to providing key metrics for management to evaluate our performance, we believe these adjustments assist investors in their understanding of period-to-period operating performance and in identifying historical and prospective trends. For additional information relating to adjustments for special items, please see page 6, Impacts of Non-GAAP Special Items.

**See Endnote 1. Management believes that the presentation of this pro forma information will assist users in their understanding of the combined company's operating performance.

CenturyLink, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME, IMPACTS OF NON-GAAP SPECIAL ITEMS*

(UNAUDITED)

(Dollars in millions)

	<u>Pro forma</u> <u>2Q11**</u>	<u>Pro forma</u> <u>3Q11**</u>	<u>Actual</u> <u>4Q11</u>	<u>Actual</u> <u>1Q12</u>	<u>Actual</u> <u>2Q12</u>	<u>Actual</u> <u>3Q12</u>	<u>Actual</u> <u>4Q12</u>	<u>Actual</u> <u>1Q13</u>
ADJUSTMENTS TO OPERATING EXPENSES								
Cash expenses	\$ (263) (A)	(109) (A)	(61) (D)	(82) (F)	(35) (H)	(19) (J)	(27) (M)	(34) (O)
Depreciation and amortization	-	-	-	-	-	45 (K)	-	-
Total Operating Expenses	<u>(263)</u>	<u>(109)</u>	<u>(61)</u>	<u>(82)</u>	<u>(35)</u>	<u>26</u>	<u>(27)</u>	<u>(34)</u>
ADJUSTMENTS TO OPERATING INCOME	263	109	61	82	35	(26)	27	34
ADJUSTMENTS TO OTHER INCOME (EXPENSE)								
Interest expense	(5) (B)	-	-	-	-	-	-	-
Other income (expense)	16 (C)	-	6 (E)	(13) (G)	202 (I)	(6) (L)	(18) (N)	(37) (P)
Income tax expense	(111) (Q)	(39) (Q)	(25) (Q)	(26) (Q)	(93) (Q)	(1) (Q)	(2) (Q)	8 (Q)
ADJUSTMENTS TO NET INCOME	<u>\$ 163</u>	<u>70</u>	<u>42</u>	<u>43</u>	<u>144</u>	<u>(33)</u>	<u>7</u>	<u>5</u>

*The amounts shown above represent the cumulative adjustments to GAAP operating results for certain special items for each of the periods presented. In addition to providing key metrics for management to evaluate our performance, we believe these adjustments assist investors in their understanding of period-to-period operating performance and in identifying historical and prospective trends. These adjustments for special items are detailed in CenturyLink's, Qwest's and Savvis' quarterly earnings release information, and are summarized below.

Summary description of special items:

- (A) Includes integration and severance costs associated with the Qwest and Embarq acquisitions incurred by CenturyLink; realignment, severance and merger related costs incurred by Qwest.
- (A) Includes integration and severance costs associated with the Qwest and Embarq acquisitions incurred by CenturyLink; realignment, severance and merger related costs incurred by Qwest; and merger related costs incurred by Savvis.
- (B) Reflects the interest component of a favorable settlement of an operating tax issue.
- (C) Expense associated with terminating a bridge credit facility related to the Savvis acquisition.
- (D) Includes integration, severance, and retention costs associated with our acquisition of Qwest, along with restructuring charges (\$55 million); integration and severance costs associated with our acquisition of Embarq (\$2 million); and transaction and other costs associated with our acquisition of Savvis (\$4 million).
- (E) Loss associated with early retirement of debt.
- (F) Includes severance costs associated with reduction in force initiatives (\$43 million), integration, severance, and retention costs associated with our acquisition of Qwest (\$36 million) and integration, severance, and retention costs associated with our acquisition of Savvis (\$3 million).
- (G) Gain associated with early retirement of debt (\$8 million) and gain on the sale of investment securities (\$5 million).
- (H) Includes severance costs associated with reduction in force initiatives (\$23 million), integration, severance, and retention costs associated with our acquisition of Qwest (\$10 million) and integration, severance, and retention costs associated with our acquisition of Savvis (\$2 million).
- (I) Loss associated with early retirement of debt.
- (J) Includes severance costs associated with reduction in force initiatives (\$2 million), integration, severance, and retention costs associated with our acquisition of Qwest (\$16 million) and integration, severance, and retention costs associated with our acquisition of Savvis (\$4 million); partially offset with a \$3 million credit related to tax incentives for the Embarq integration.
- (K) Out-of-period depreciation adjustment (\$45 million) to correct an overstatement of depreciation.
- (L) Gain on the sale of a non-operating investment (\$6 million).
- (M) Includes severance costs associated with reduction in force initiatives (\$13 million), integration, severance, and retention costs associated with our acquisition of Qwest (\$9 million) and integration, severance, and retention costs associated with our acquisition of Savvis (\$5 million).
- (N) Gain on the sale of a non-operating investments (\$3 million) and early retirement of debt (\$15 million).
- (O) Includes severance costs associated with recent headcount reductions (\$7 million), integration, severance, and retention costs associated with our acquisition of Qwest (\$7 million), integration, severance, and retention costs associated with our acquisition of Savvis (\$3 million) and an accounting adjustment (\$17 million).
- (P) Gain on the sale of a non-operating investments (\$32 million) and settlements of other non-operating issues (\$5 million).
- (Q) Tax effect of above items. Second quarter 2011 includes a benefit from the reduction of a valuation allowance (\$14 million), third quarter 2012 includes a benefit from the reversal of a valuation allowance (\$11 million) and fourth quarter 2012 includes a benefit from the reversal of a valuation allowance and the effect of a rate adjustment on the first three quarters of year (\$3 million).

**See Endnote 1. Management believes that the presentation of this pro forma information will assist users in their understanding of the combined company's operating performance.

CenturyLink, Inc.

OPERATING CASH FLOW, OPERATING CASH FLOW MARGIN AND FREE CASH FLOW, EXCLUDING SPECIAL ITEMS - NON-GAAP*

(UNAUDITED)

(Dollars in millions)

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
<u>Operating Cash Flow and Cash Flow Margin</u>								
Operating Income, excluding special items*	\$ 734	654	594	736	692	710	693	816
Add: Depreciation and amortization	1,245	1,240	1,252	1,208	1,208	1,189	1,220	1,117
Operating cash flow	\$ 1,979	1,894	1,846	1,944	1,900	1,899	1,913	1,933
Operating Revenues	\$ 4,669	4,633	4,653	4,610	4,612	4,571	4,583	4,513
Operating cash flow margin (operating cash flow divided by revenues)	42.4%	40.9%	39.7%	42.2%	41.2%	41.5%	41.7%	42.8%
<u>Free Cash Flow</u>								
Operating cash flow			1,846	1,944	1,900	1,899	1,913	1,933
Less: Cash (paid) refunded for income taxes			25	(1)	(30)	(28)	(23)	(8)
Less: Cash paid for interest, net of amounts capitalized			(465)	(244)	(485)	(268)	(408)	(265)
Less: Capital expenditures, excluding expenditures related to integration efforts			(896)	(668)	(609)	(704)	(877)	(656)
Other income (expense)			5	7	3	6	5	2
Free cash flow			\$ 515	1,038	779	905	610	1,006

*For additional information regarding this pro forma information, including related pro forma adjustments, and special items, please see Endnote 1 and page 6, Impacts of Non-GAAP Special Items.

CenturyLink, Inc.

SUPPLEMENTAL NON-GAAP INFORMATION - ADJUSTED DILUTED EARNINGS PER SHARE*
(UNAUDITED)

(Dollars in millions, except per share amounts; shares in thousands)

	Pro forma 2Q11**	Pro forma 3Q11**	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Net income (excluding special items***)	\$ 246	204	151	243	218	237	240	303
Add back:								
Amortization of customer base intangibles:								
Qwest	260	257	253	244	244	241	237	234
Embarq	44	39	39	39	39	34	34	34
Savvis	20	20	20	15	14	15	15	15
Amortization of trademark intangibles:								
Qwest	21	20	19	18	16	15	14	12
Savvis	2	2	2	2	3	2	2	2
Amortization of fair value adjustment of long-term debt:								
Embarq	1	1	-	1	1	1	1	1
Qwest	(67)	(56)	(31)	(28)	(20)	(20)	(18)	(17)
Subtotal	281	283	302	291	297	288	285	281
Tax effect of above items	(99)	(110)	(110)	(111)	(112)	(112)	(110)	(109)
Net adjustment, after taxes	\$ 182	173	192	180	185	176	175	172
Net income, as adjusted for above items	\$ 428	377	343	423	403	413	415	475
Weighted average common shares outstanding-diluted	614.5	616.6	618.5	620.4	621.8	623.3	623.7	621.1
Diluted EPS (excluding special items)	\$ 0.40	0.33	0.24	0.39	0.35	0.38	0.38	0.49
Adjusted diluted EPS as adjusted for purchase accounting intangible and interest amortizations (excluding special items)	\$ 0.69	0.61	0.55	0.68	0.65	0.66	0.67	0.76

*The above schedule presents adjusted net income and adjusted earnings per share (both excluding special items) by adding back to net income and earnings per share certain non-cash expense items that arise as a result of the application of business combination accounting rules to recent acquisitions. Such presentation is not in accordance with GAAP, but management believes the presentation is useful to analysts and investors to understand the impacts of expanding our business through acquisitions.

**See Endnote 1. Management believes that the presentation of this pro forma information will assist users in their understanding of the combined company's operating performance.

***For more information on these special items, please see page 6, Impacts of Non-GAAP Special Items.

CenturyLink, Inc.

SUPPLEMENTAL NON-GAAP SEGMENT DATA, EXCLUDING SPECIAL ITEMS*

(UNAUDITED)

(Dollars in millions)

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Consumer								
Revenues								
Strategic services	\$ 544	550	585	588	590	603	612	620
Legacy services	1,004	1,002	992	974	947	933	908	889
Data integration	2	2	2	2	3	-	2	2
Total Revenues	1,550	1,554	1,579	1,564	1,540	1,536	1,522	1,511
Expenses								
Direct expense	434	453	444	445	444	458	449	413
Allocated expense	118	137	135	122	124	127	122	113
Total expenses	552	590	579	567	568	585	571	526
Segment income	\$ 998	964	1,000	997	972	951	951	985
Segment income margin	64.4%	62.0%	63.3%	63.7%	63.1%	61.9%	62.5%	65.2%
Business								
Revenues								
Strategic services	\$ 578	567	573	578	590	602	600	615
Legacy services	853	813	796	787	780	771	760	751
Data integration	149	164	184	143	167	168	187	138
Total Revenues	1,580	1,544	1,553	1,508	1,537	1,541	1,547	1,504
Expenses								
Direct expense	839	854	861	799	829	818	839	778
Allocated expense	87	99	100	111	114	118	115	103
Total expenses	926	953	961	910	943	936	954	881
Segment income	\$ 654	591	592	598	594	605	593	623
Segment income margin	41.4%	38.3%	38.1%	39.7%	38.6%	39.3%	38.3%	41.4%
Wholesale								
Revenues								
Strategic services	\$ 562	573	572	582	575	569	572	573
Legacy services	423	410	390	380	371	341	335	334
Data integration	-	-	2	-	-	-	-	-
Total Revenues	985	983	964	962	946	910	907	907
Expenses								
Direct expense	46	44	52	48	45	38	38	30
Allocated expense	288	294	286	264	268	266	263	244
Total expenses	334	338	338	312	313	304	301	274
Segment income	\$ 651	645	626	650	633	606	606	633
Segment income margin	66.1%	65.6%	64.9%	67.6%	66.9%	66.6%	66.8%	69.8%
Data Hosting								
Revenues								
Strategic services	\$ 307	306	303	310	323	327	340	334
Total Revenues	307	306	303	310	323	327	340	334
Expenses								
Direct expense	227	225	232	232	241	248	266	266
Allocated expense	(2)	(2)	(2)	(1)	(2)	(2)	(2)	(2)
Total expenses	225	223	230	231	239	246	264	264
Segment income	\$ 82	83	73	79	84	81	76	70
Segment income margin	26.7%	27.1%	24.1%	25.5%	26.0%	24.8%	22.4%	21.0%
Total segment revenues	\$ 4,422	4,387	4,399	4,344	4,346	4,314	4,316	4,256
Total segment expenses	2,037	2,104	2,108	2,020	2,063	2,071	2,090	1,945
Total segment income	\$ 2,385	2,283	2,291	2,324	2,283	2,243	2,226	2,311
Total segment income margin (segment income divided by segment revenues)	53.9%	52.0%	52.1%	53.5%	52.5%	52.0%	51.6%	54.3%

During the first quarter of 2013, we reorganized our operating segments in order to strengthen our focus on the business market while continuing our commitment to our wholesale, hosting and consumer customers. We also revised our methodology for how we allocate our expenses to our segments to better align segment expenses with related revenues. We have restated prior periods to reflect the reorganization and the change in our allocation methodology.

*For additional information regarding this pro forma information, including related pro forma adjustments and special items, please see Endnote 1 and page 6, Impacts of Non-GAAP Special Items.

CenturyLink, Inc.

RECONCILIATION OF NON-GAAP SEGMENT INCOME TO NET INCOME, EXCLUDING SPECIAL ITEMS - NON-GAAP*

(UNAUDITED)

(Dollars in millions)

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Total segment revenues	\$ 4,422	4,387	4,399	4,344	4,346	4,314	4,316	4,256
Total segment expenses	2,037	2,104	2,108	2,020	2,063	2,071	2,090	1,945
Total segment income	\$ 2,385	2,283	2,291	2,324	2,283	2,243	2,226	2,311
Total segment income margin (segment income divided by segment revenues)	53.9%	52.0%	52.1%	53.5%	52.5%	52.0%	51.6%	54.3%

Reconciliation of segment income to net income:

Total segment income	\$ 2,385	2,283	2,291	2,324	2,283	2,243	2,226	2,311
Other revenue	247	246	254	266	266	257	267	257
Unassigned expenses	(653)	(635)	(699)	(646)	(649)	(601)	(580)	(627)
Operating Cash Flow	\$ 1,979	1,894	1,846	1,944	1,900	1,899	1,913	1,941
Depreciation and amortization	(1,245)	(1,240)	(1,252)	(1,208)	(1,208)	(1,189)	(1,220)	(1,117)
Total other expense	(315)	(320)	(335)	(336)	(332)	(320)	(310)	(314)
Income tax expense	(173)	(130)	(108)	(157)	(142)	(153)	(143)	(207)
Net Income	\$ 246	204	151	243	218	237	240	303

*For additional information regarding this pro forma information, including related pro forma adjustments and special items, please see Endnote 1 and page 6, Impacts of Non-GAAP Special Items.

CenturyLink, Inc.

SUPPLEMENTAL NON-GAAP SEGMENT DATA, DATA CENTER REVENUES AND METRICS

(UNAUDITED)

(Dollars in millions)

Product View

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Colocation	\$ 137	135	133	138	142	144	145	144
Managed Hosting **	101	103	103	104	111	112	125	125
Other	69	68	67	68	70	71	70	65
Total Data Center Revenue	\$ 307	306	303	310	323	327	340	334

Segment View

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Business	\$ 42	41	41	43	42	44	46	41
Wholesale	2	2	2	3	3	3	3	2
Data Hosting	263	263	260	264	278	280	291	291
Total Data Center Revenue	\$ 307	306	303	310	323	327	340	334

Data Center Metrics

	Pro forma 2Q11*	Pro forma 3Q11*	Actual 4Q11	Actual 1Q12	Actual 2Q12	Actual 3Q12	Actual 4Q12	Actual 1Q13
Number of data centers***	No Data	49	51	51	52	53	54	54
Revenue square feet, million sq ft	No Data	1.3	1.3	1.3	1.4	1.4	1.4	1.4
Billable square feet, million sq ft	Available	0.9	0.9	0.9	1.0	1.0	1.0	1.0
Utilization		70%	71%	70%	71%	71%	72%	71%

*See Endnote 1. Management believes that the presentation of this pro forma information will assist users in their understanding of the combined company's operating performance.

**Managed Hosting for the 4th Quarter 2012 includes Ciber global IT outsourcing assets acquired October 15, 2012.

***We define a "data center" as any facility where we market, sell and deliver either colocation services or multi-tenant managed services, or both.

ENDNOTES TO QUARTERLY EARNINGS STATEMENT

(As of March 31, 2013)

Endnote 1 – In accordance with business combination accounting standards, the accompanying pro forma financial information was prepared assuming CenturyLink's acquisition of Qwest and Savvis occurred as of January 1, 2010. The accompanying pro forma information is for illustrative purposes only and is not necessarily indicative of the combined operating results that would have occurred if the Qwest and Savvis acquisitions had been consummated on January 1, 2010 nor is it indicative of future operating results. Pro forma adjustments include (i) the elimination of intercompany billings and the elimination of certain deferred revenues and costs; (ii) the elimination of certain components of pension and post-retirement benefit costs; (iii) the amortization of the fair value assigned to intangible assets (primarily customer relationships and software); (iv) adjustments to depreciation to reflect the fair value assigned to property, plant and equipment; (v) adjustments to interest expense to reflect valuing debt at fair value; and (vi) the related income tax effects. The pro forma adjustments are described in greater detail in our Current Report on Form 8-K filed with the SEC on March 2, 2012. For additional information relating to our Qwest and Savvis acquisitions, please see our various reports filed with the SEC.