



1st Quarter 2013 Earnings Results

May 8, 2013

Forward-Looking Statements / Non-GAAP Financial Measures

Certain non-historical statements made in this release and future oral or written statements or press releases by us or our management are intended to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations only, and are subject to a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry (including recent reforms and changes by the Federal Communications Commission regarding intercarrier compensation and the Universal Service Fund, among other things); our ability to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages; our ability to effectively adjust to changes in the communications industry and changes in the composition of our markets and product mix caused by our recent acquisitions; our ability to successfully integrate recently acquired operations into our incumbent operations, including the possibility that the anticipated benefits from our recent acquisitions cannot be fully realized in a timely manner or at all, or that integrating the acquired operations will be more difficult, disruptive or costly than anticipated; our ability to use the net operating loss carryovers of Qwest in projected amounts; our ability to effectively manage our expansion opportunities, including retaining and hiring key personnel; possible changes in the demand for, or pricing of, our products and services; our ability to successfully introduce new product or service offerings on a timely and cost-effective basis; our continued access to credit markets on favorable terms; our ability to collect our receivables from financially troubled companies; any adverse developments in legal or regulatory proceedings involving us; our ability to pay common share dividends in amounts previously indicated, which may be affected by changes in our cash requirements, capital spending plans, cash flows or financial position; unanticipated increases or other changes in our future cash requirements, whether caused by unanticipated increases in capital expenditures, increases in pension funding requirements or otherwise; the effects of adverse weather; other risks referenced from time to time in our filings with the Securities and Exchange Commission (the "SEC"); and the effects of more general factors such as changes in interest rates, in tax rates, in accounting policies or practices, in operating, medical, pension or administrative costs, in general market, labor or economic conditions, or in legislation, regulation or public policy. These and other uncertainties related to our business and our recent acquisitions are described in greater detail in Item 1A to our Form 10-K for the year ended December 31, 2012, as updated and supplemented by our subsequent SEC reports. You should be aware that new factors may emerge from time to time and it is not possible for us to identify all such factors nor can we predict the impact of each such factor on the business or the extent to which any one or more factors may cause actual results to differ from those reflected in any forward-looking statements. You are further cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. We undertake no obligation to update any of our forward-looking statements for any reason.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures. These measures are provided and valid only as of the date of this presentation and should not be relied upon beyond that date. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are available on our website at www.centurylink.com.

Participants

Glen Post

Chief Executive Officer & President

Stewart Ewing

Executive Vice President & Chief Financial Officer

Karen Puckett

Executive Vice President & Chief Operating Officer

Bill Cheek

President, Wholesale

Jeff Von Deylen

President, Savvis

1Q13 Highlights & Strategic Overview

Glen Post

Chief Executive Officer & President



1Q13 Highlights

- ▶ Added 66,700 broadband subscribers and 13,400¹ Prism™ TV subscribers
- ▶ Achieved strong sales across business customers for network and hosting products
- ▶ Realigned segments to create consistent sales and service delivery model and go-to-market strategy for business customers
- ▶ Reduced quarterly cash expenses compared to year-ago period primarily driven by lower personnel-related costs
- ▶ Repurchased 19.2 million shares for \$682 million through May 7 under \$2 billion buyback plan

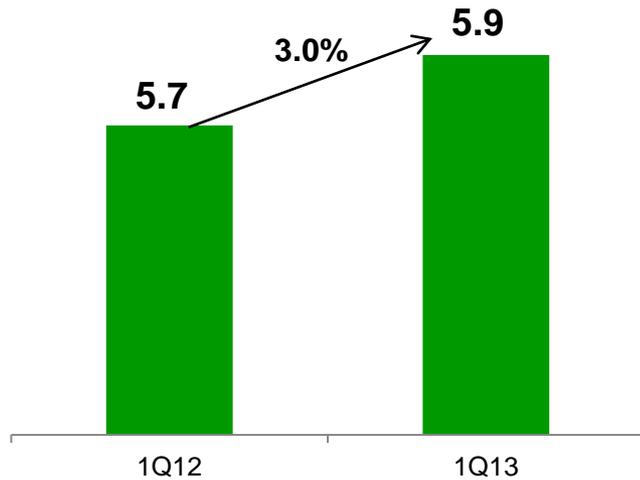
(1) Our historical Prism™ TV subscribers reflected single and multi-dwelling unit subscribers as individual counts. Effective 1Q13 and prospectively thereafter, multi-dwelling units are reflected on an average revenue equivalent unit basis.

Broadband Expansion & Enhancement

Achieving growth in broadband penetration

Broadband subscribers

Ending in service, millions



- ▶ Added 66,700 high-speed Internet subscribers during the quarter, ending with more than 5.9 million broadband customers
- ▶ Increased broadband speeds across footprint – over 30% of enabled lines receive 20 Mbps or higher
- ▶ Expanded Ethernet over Copper footprint, improving broadband speed availability
- ▶ In May, announced launch of 1 Gbps service to 48,000 homes in Omaha, NE

HSI Speed Availability

As percent of HSI Enabled Access Lines

	1Q12	1Q13	Percent Change
6 Mbps or higher	68%	73%	8%
10 Mbps or higher	54%	61%	12%
20 Mbps or higher	25%	32%	27%
40 Mbps or higher	10%	14%	49%

Prism™ TV

Expanding footprint and growing subscriber base

- ▶ Expanded Prism™ TV subscribers¹ by 13% in 1Q13 from 4Q12 with penetration of homes passed reaching nearly 10%
- ▶ Over 50% of new Prism™ TV customers added during 1Q13 were new to CenturyLink
- ▶ New Prism™ TV customers continue to reflect high multi-product attachment rates with over 90% adding HSI service
- ▶ Soft launched Prism™ TV service in Colorado Springs, Colorado during first quarter and plan to soft launch in Omaha, Nebraska during second quarter

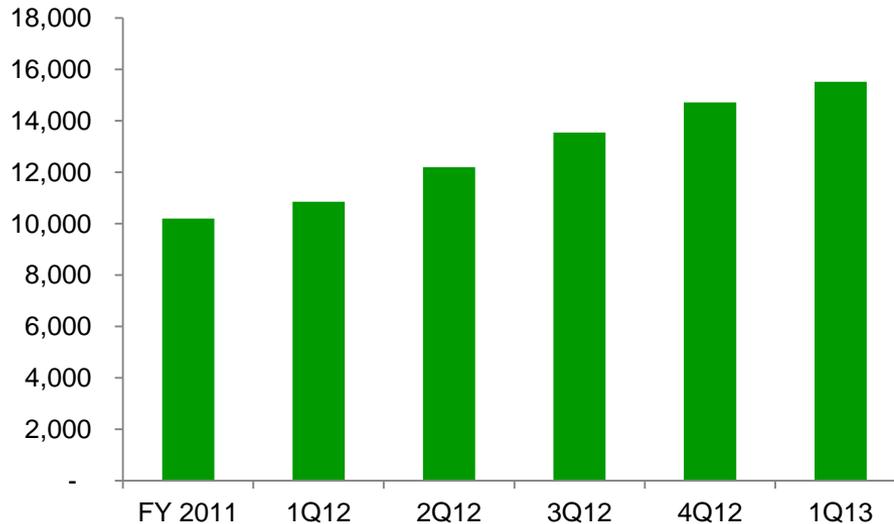
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Fiber-to-the-Tower (FTTT)

Investing in FTTT to drive long-term growth

Fiber-to-the-Tower:

Cumulative builds complete at period-end



- ▶ Completed over 800 fiber builds in 1Q13
- ▶ On track to complete 4,000 – 5,000 fiber builds for full-year 2013
- ▶ Average bandwidth capacity of initial fiber-based connections is increasing
- ▶ Expect to mitigate revenue compression by early 2014

“Positions CenturyLink to benefit from significant growth in wireless data demand and an expanded addressable market from strategic fiber route design and placement”

Managed Hosting & Cloud Services

Capacity and product portfolio to meet customer needs and market opportunity

- ▶ Generated strong new sales in 1Q13 continuing momentum from 4Q12
- ▶ Hosting sales to business network customers accelerating and cross-sell opportunities continue to be strong
- ▶ Updated bundled solutions to include savvisdirect¹ to introduce cloud product to additional business customers throughout all sales channels
- ▶ Recognized as a leader in Gartner's Magic Quadrant for Managed Hosting, North America

(1) savvisdirect is CenturyLink's highly scalable, affordable and easy-to-use cloud services platform designed for business of all sizes that is immediately accessible to business users, IT administrators and developers through an intuitive, user-friendly Web portal

Strategic Summary

- ▶ Solid first quarter results with top-line revenue trend improving year-over-year
- ▶ Continued improvement in subscriber trends
- ▶ Solid organic revenue growth opportunities stemming from investments in key strategic initiatives
- ▶ Expanded Prism™ TV offering to additional market
- ▶ Realigned operations to improve sales and service processes and go-to-market strategies for business customers
- ▶ Launched savvisdirect¹ to better address hosting needs for customers of all sizes

(1) savvisdirect is CenturyLink's highly scalable, affordable and easy-to-use cloud services platform designed for business of all sizes that is immediately accessible to business users, IT administrators and developers through an intuitive, user-friendly Web portal

1Q13 Financial Results & Guidance Overview

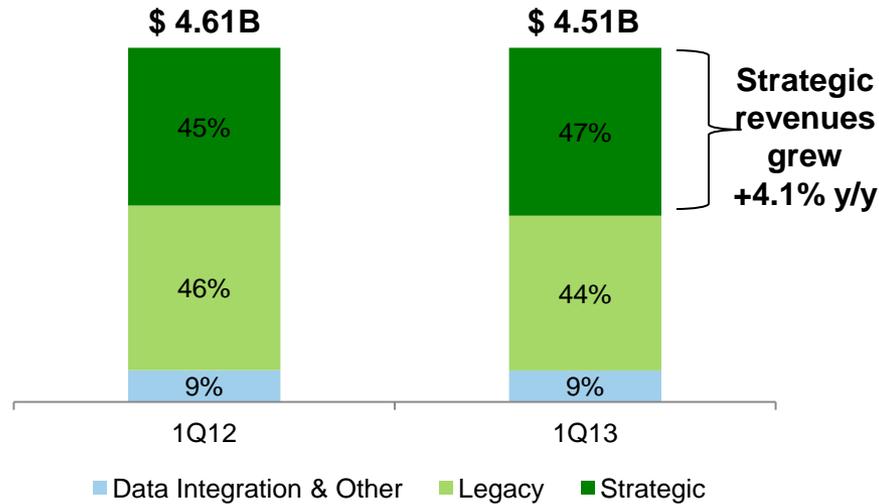
Stewart Ewing

Executive Vice President & Chief Financial Officer



1Q13 Financial Summary

Consolidated Operating Revenues

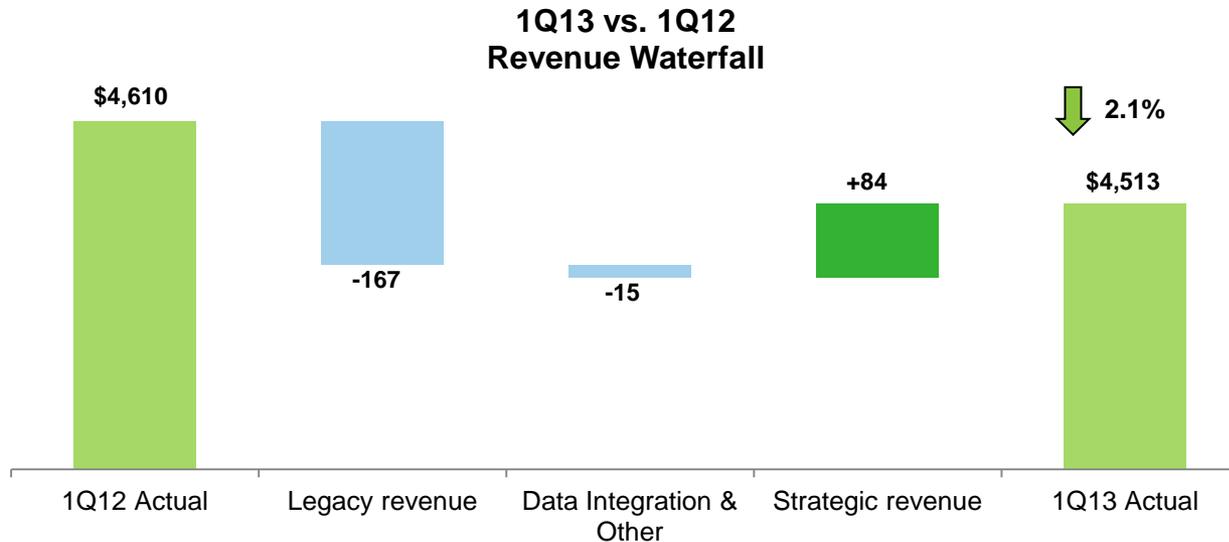


- ▶ \$4.51 billion in revenues, at top of guidance range
 - Total revenue declined 2.1% from 1Q12
 - Strategic revenues of \$2.1B, 4.1% annual increase from 1Q12
- ▶ \$0.76 Adjusted Diluted EPS¹, exceeding guidance range
- ▶ Free cash flow² generation of \$1.0 billion (excl. special items and integration-related capital)

⁽¹⁾ See supporting financial schedules available at ir.centurylink.com

⁽²⁾ Free Cash Flow calculated as operating cash flow less cash paid for taxes, interest and capital expenditures, adjusted for other income/(expense).

1Q13 Revenue Drivers



Year-over-year: 1Q13 vs. 1Q12

- ▶ Strategic revenue growth driven by MPLS & Ethernet services, HSI, managed hosting and Prism™ TV
- ▶ Legacy revenue decline driven by access line losses and lower access revenue
- ▶ Other revenue decreased primarily due to lower USF contribution rate and CPE sales

New Segment Structure (effective 1Q13)

Consumer and Business – Led by Karen Puckett

Consumer

- Residential customers
- 37-state footprint
- Local operating model approach

Business

- All SMB, enterprise businesses & government accounts
- Operates across the U.S. - nationwide products and services – and select international locations
- Local operating model approach, where appropriate

Wholesale – Led by Bill Cheek

- Other communications companies
- Fiber-to-the-tower for wireless providers
- Payphone services

Data Hosting – Led by Jeff Von Deylen

- Colocation, managed hosting, cloud services and hosting related network services
- IT infrastructure management
- Assets and capabilities in North America, Europe and Asia

Consumer

Consumer - Operating Revenues

\$ in millions



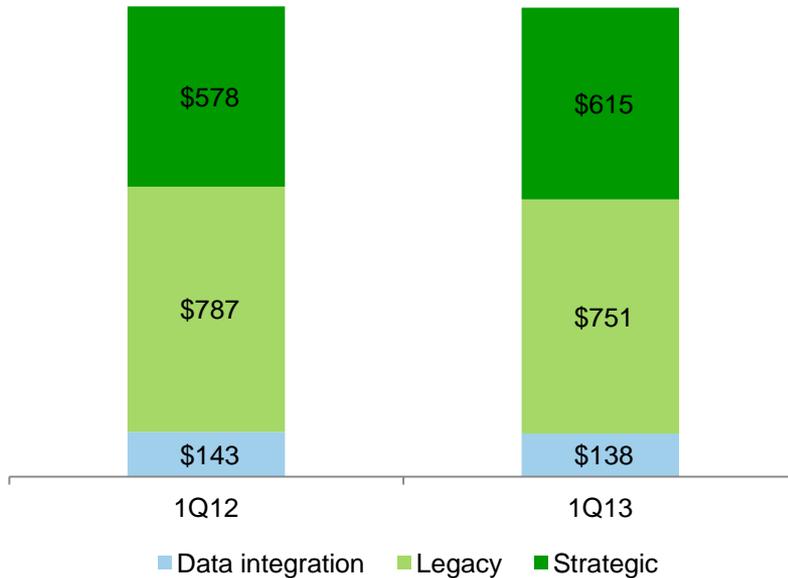
- ▶ Strategic revenue increased 5.4% from year-ago period driven by growth of broadband and Prism™ TV subscribers
- ▶ Legacy services revenue declined 8.7% in 1Q13 due to lower local and LD revenue partially mitigated by implementation of the CAF Order¹
- ▶ Operating expenses declined 7% y/y as lower employee costs related to our legacy business were partially offset by higher Prism™ TV costs

(1) Federal Communications Commission's Connect America and Intercarrier Compensation Reform Order (the CAF Order) adopted on October 27, 2011

Business

Business - Operating Revenues

\$ in millions



- ▶ Strategic revenue increased 6.4% from 1Q12 fueled by strength in high-bandwidth products including MPLS, Ethernet and Wavelength
- ▶ Excluding private line, strategic revenues grew nearly 12%
- ▶ Legacy services revenue declined 4.6% in 1Q13 due to lower voice revenue partially mitigated by implementation of the CAF Order¹
- ▶ Operating expenses declined 3% y/y as lower employee costs and bad debt were partially offset by higher facility costs

(1) Federal Communications Commission's Connect America and Intercarrier Compensation Reform Order (the CAF Order) adopted on October 27, 2011

Wholesale

Wholesale - Operating Revenues

\$ in millions



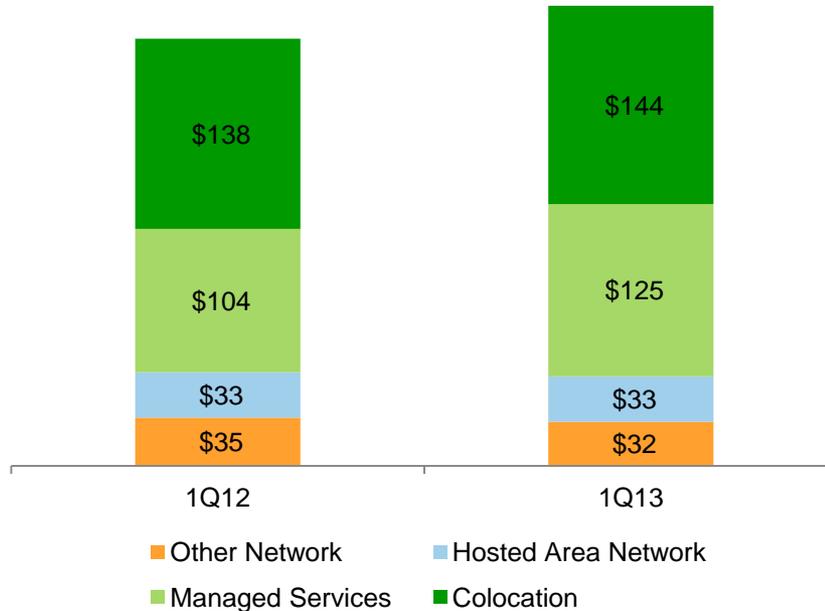
- ▶ Strategic revenues decreased 1.5% from 1Q12 due to reductions in low speed transport services partially offset by growth in Ethernet services and bandwidth expansion by wireless customers
- ▶ Lower access revenues driven by implementation of the CAF Order¹ and lower minutes of use continue to pressure wholesale legacy revenue
- ▶ Segment expenses declined 12% from 1Q12 driven primarily by lower employee costs, lower access expense and one-time settlements

(1) Federal Communications Commission's Connect America and Intercarrier Compensation Reform Order (the CAF Order) adopted on October 27, 2011

Data Hosting

Data Hosting - Operating Revenues¹

\$ in millions



- ▶ Managed hosting revenue grew 20% over year-ago period, including \$15mm of 1Q13 revenue from Ciber acquisition, and colocation grew 4% over the same period
- ▶ 1Q Y/Y revenue growth negatively impacted by:
 - lower 3Q12 new sales
 - full quarter impact of bankruptcy related churn
 - price erosion from customer migrations to new technology platforms
- ▶ Expenses increased year-over-year driven primarily by higher employee costs, including those related to Ciber acquisition, and savvisdirect expenses

(1) 1Q13 product revenues sum may not match Earnings Release or accompanying schedules due to rounding

Guidance

2nd Quarter 2013

Operating Revenues	\$4.49 to \$4.54 billion
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Operating Cash Flow	\$1.82 to \$1.86 billion
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Adjusted Diluted EPS	\$0.63 to \$0.68
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Full Year 2013

Original

Revised

Operating Revenue	\$18.1 to \$18.3 billion	No revision
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Annual percent change in Operating Revenue	-0.5% to -1.5%	No revision
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Operating Cash Flow	\$7.3 to \$7.5 billion	\$7.35 to \$7.55 billion
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Adjusted Diluted EPS	\$2.50 to \$2.70	\$2.60 to \$2.75
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Capital Expenditures ¹	\$2.8 to \$3.0 billion	No revision
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Free Cash Flow ¹	\$3.0 to \$3.2 billion	No revision
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(1) Excludes approximately \$70 million of integration-related capital expenditures

Q & A



Concluding Remarks

Glen Post

Chief Executive Officer & President



Closing

- ▶ Solid first quarter financial results
- ▶ Demand from business customers for advanced network and hosted IT solutions remains strong
- ▶ Continued expansion of Prism™ TV to additional legacy Qwest markets
- ▶ Key strategic initiatives continue to strengthen CenturyLink's competitive position
- ▶ Achieved strong execution of share repurchase activity since mid-February authorization of plan

Well Positioned to Drive Long-Term Shareholder Value, Deliver Strong Financial Results and Further Enhance Position as an Industry Leader