

4th Quarter 2015 Earnings Results

February 10, 2016

Forward-Looking Statements

Except for historical and factual information, the matters set forth in this presentation and other of our oral or written statements identified by words such as “estimates,” “expects,” “anticipates,” “believes,” “plans,” “intends,” and similar expressions are forward-looking statements as defined by the federal securities laws, and are subject to the “safe harbor” protections thereunder. These forward-looking statements are not guarantees of future results and are based on current expectations only, are inherently speculative, and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated, projected, or implied by us if one or more of these risks or uncertainties materialize, or if our underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the effects of competition from a wide variety of competitive providers, including lower demand for our legacy offerings; the effects of new, emerging or competing technologies, including those that could make our products less desirable or obsolete; the effects of ongoing changes in the regulation of the communications industry, including the outcome of pending regulatory or judicial proceedings; our ability to effectively adjust to changes in the communications industry and changes in the composition of our markets and product mix; possible changes in the demand for, or pricing of, our products and services; our ability to successfully maintain the quality and profitability of our existing product and service offerings and to introduce new offerings on a timely and cost-effective basis; the adverse impact on our business and network from possible equipment failures, service outages, security breaches or similar events impacting our network; our ability to generate cash flows sufficient to fund our financial commitments and objectives, including our capital expenditures, operating costs, share repurchases, dividends, pension contributions and debt payments; changes in our operating plans, corporate strategies, dividend payment plans or other capital allocation plans; our ability to effectively retain and hire key personnel and to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages; increases in the costs of our pension, health, post-employment or other benefits; our ability to use our net operating loss carryforwards in projected amounts; adverse changes in our access to credit markets on favorable terms; our ability to maintain favorable relations with our key business partners, suppliers, vendors, landlords and financial institutions; our ability to effectively manage our expansion opportunities; our ability to collect our receivables from financially troubled customers; any adverse developments in legal or regulatory proceedings involving us; changes in tax, communications, pension, healthcare or other laws or regulations, in governmental support programs, or in general government funding levels; the effects of changes in accounting policies or practices; the effects of adverse weather or other natural or man-made disasters; the effects of more general factors such as changes in interest rates, in operating costs, in general market, labor, economic or geo-political conditions, or in public policy; and other risks referenced from time to time in our filings with the U.S. Securities and Exchange Commission (the “SEC”). For all the reasons set forth above and in our SEC filings, you are cautioned not to place undue reliance upon any of our forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update or revise any of our forward-looking statements for any reason. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions solely as of the date of such forward-looking statement. We may change our intentions, strategies or plans without notice at any time and for any reason.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures, including but not limited to operating cash flow, free cash flow, core revenues, Adjusted Net Income, Adjusted Diluted EPS and adjustments to GAAP measures to exclude the effect of special items. In addition to providing key metrics for management to evaluate the Company's performance, we believe these measurements assist investors in their understanding of period-to-period operating performance and in identifying historical and prospective trends. 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 non-GAAP financial measures to the most comparable GAAP measures are included in the attached financial schedules. Reconciliation of additional non-GAAP financial measures that may be discussed during the earnings call described above will be available in the Investor Relations portion of the Company's website at www.centurylink.com. Investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP.

Participants

Glen Post

Chief Executive Officer & President

Stewart Ewing

Executive Vice President & Chief Financial Officer

Financial & Strategic Overview

Glen Post

Chief Executive Officer & President

2015 Overview

- Strong 4Q financial results -- Revenue, operating cash flow and adjusted diluted EPS exceeded expectations
 - Consumer segment results strong with Y/Y growth in Prism TV customers and higher ARPU
 - Business segment high-bandwidth data services revenue grew approximately 9% Y/Y
 - Achieved 2H15 planned operating expense reduction target; >\$100 million decline from 3Q to 4Q

2015 Overview (continued)

- Continued to drive higher speeds through network investment
- Completed \$1 billion share repurchase program in 4Q. For full-year 2015, returned \$2 billion to shareholders in dividends and share repurchases
- Initiated strategic alternatives review for data center and colocation business

Strategic Framework

What do we do?

Improve the lives of our customers by connecting them to the digital world

How we do it?

- By investing in our core access network to provide fast, reliable broadband connections that are automated and easy to use
 - By deploying less capital intense, higher growth solutions to deliver a full range of technology-focused services
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Strategic Framework

Key Objective

Create long-term shareholder value through revenue growth and strong cash flow generation

Operational Initiatives

- Maximize market penetration of our network and adjacent services to drive growth
 - Create great customer experiences through simplification and automation of our products, processes and systems
 - Disciplined operating and capital investments to deliver profitable growth
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4Q Results & Guidance Overview

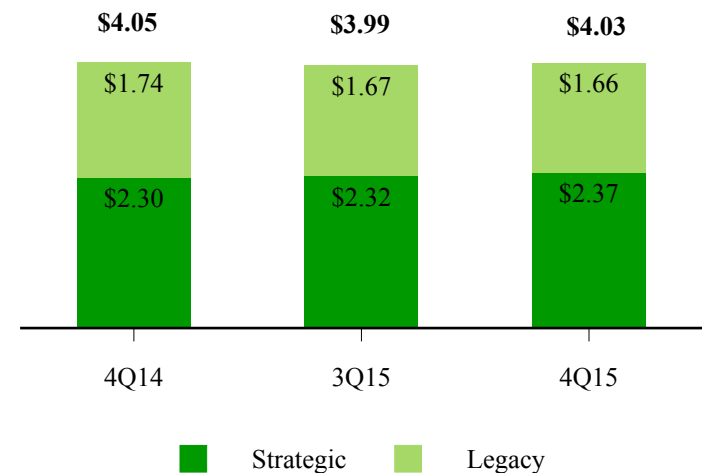
Stewart Ewing

Executive Vice President & Chief Financial Officer

4Q15 Financial Summary

- \$4.48 billion in Total revenue
 - \$4.03 billion Core revenue¹, 0.5% Y/Y decline from 4Q14
 - \$2.37 billion Strategic revenue², 3.0% Y/Y increase from 4Q14
 - \$1.66 billion Legacy revenue², a 5.0% Y/Y decrease from 4Q14
 - Other revenue increased \$60 million Y/Y due to CAF Phase 2 recognition

Core Revenue (\$B)



- Added approximately 16,000 Prism™ TV customers
- Operating cash flow³ of \$1.82 billion and free cash flow³ of \$591 million
- \$0.80 Adjusted Diluted EPS³
- Repurchased approximately 10 million shares for nearly \$280 million during 4Q15

(1) Core revenue defined as strategic revenue plus legacy revenue (excludes data integration and other revenue)

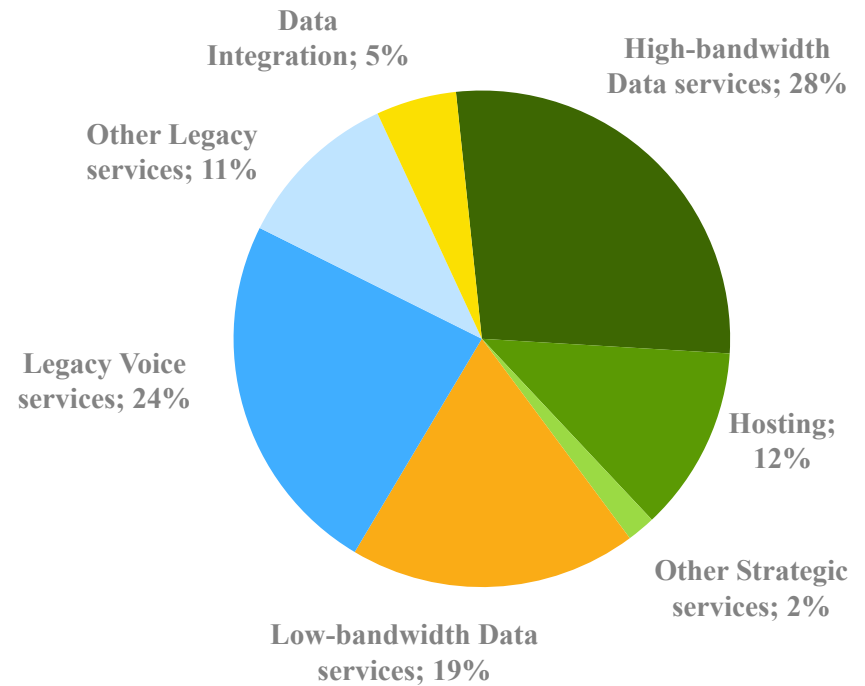
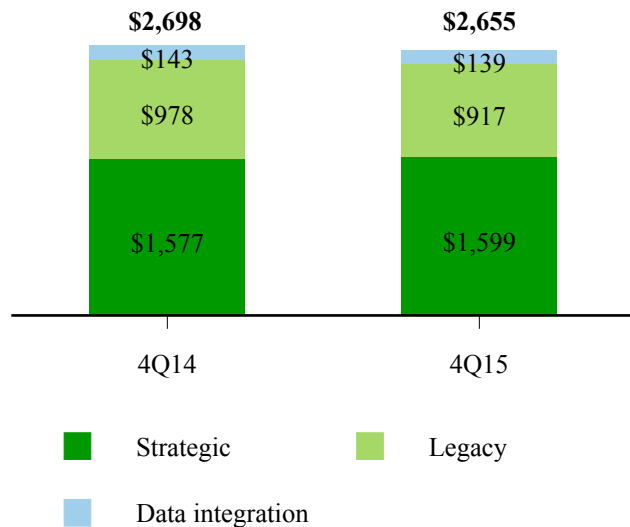
(2) Beginning first quarter 2015, certain revenues were reclassified between strategic and legacy services. All historical periods have been restated to reflect this change

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

Business Segment

Business - Operating Revenue

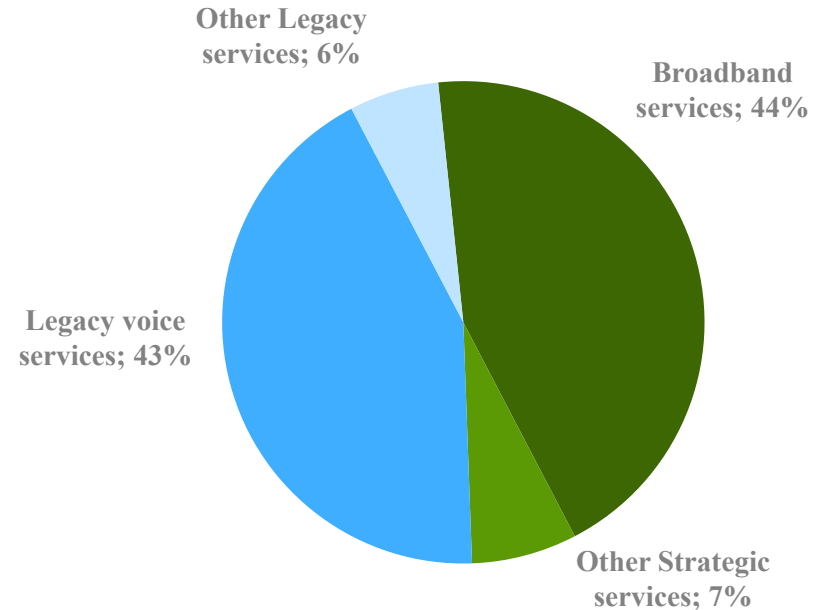
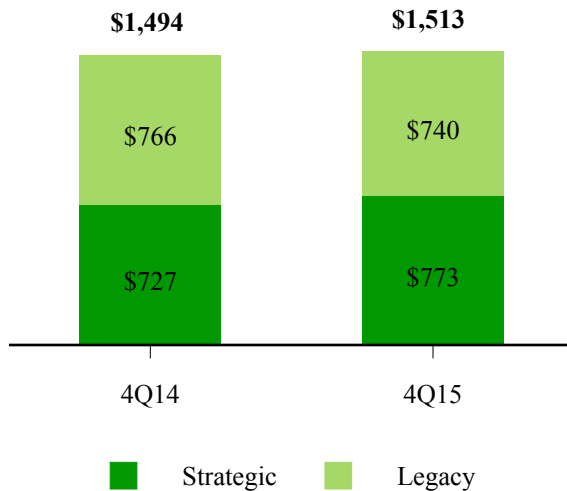
\$ in millions



- Total Y/Y revenue decline of 1.6%
- Strategic revenue increased 1.4% from 4Q14 driven by continued growth in high-bandwidth products including MPLS and Ethernet partially offset by the decline in low-bandwidth data services revenue and wholesale re-pricing; Strategic revenue grew 7.6% excluding low-bandwidth data services revenue
- Legacy revenue declined 6.2% from 4Q14 due to lower voice and switched access revenue
- Operating expenses declined \$37 million, or 2.4%, from 4Q14 driven primarily by lower employee-related expenses and CPE costs

Consumer Segment

Consumer - Operating Revenue¹ \$ in millions



- Total Y/Y revenue increase of 1.3%
- Strategic revenue increased 6.3% from year-ago period driven by growth in high-speed Internet and Prism™ TV revenues
- Legacy revenue declined 3.4% from 4Q14 due primarily to lower local and LD revenue partially offset by select price increases
- Operating expenses decreased \$17 million, or 2.8%, from 4Q14

Guidance

1st Quarter 2016⁽¹⁾

Operating Revenue	\$4.40 to \$4.45 billion
Core Revenue	\$3.95 to \$4.00 billion
Operating Cash Flow	\$1.66 to \$1.72 billion
Adjusted Diluted EPS	\$0.67 to \$0.73

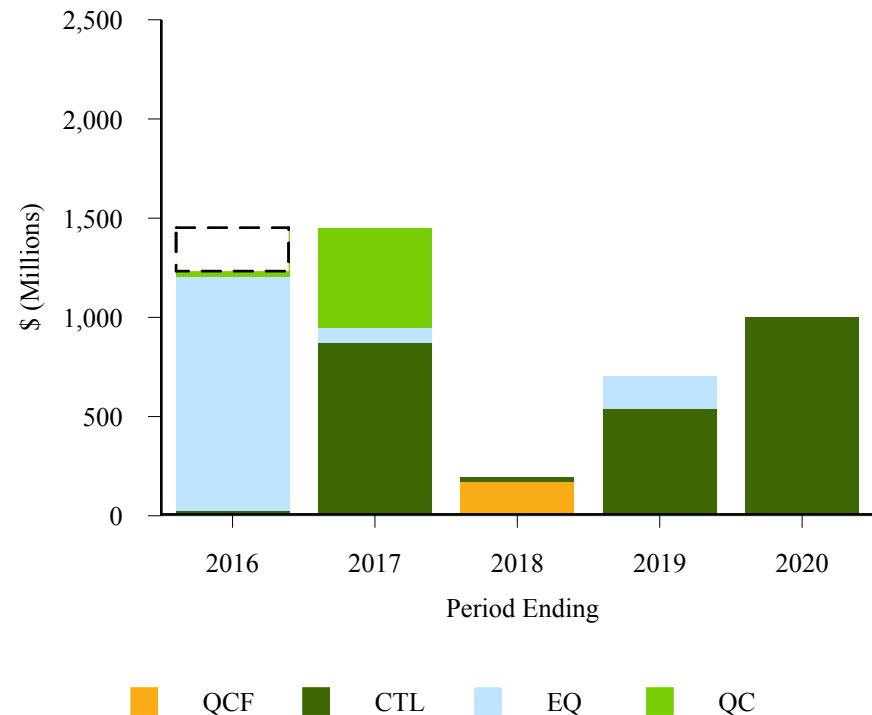
Full-Year 2016⁽¹⁾

Operating Revenue	\$17.55 to \$17.8 billion
Core Revenue	\$15.75 to \$16.0 billion
Operating Cash Flow	\$6.6 to \$6.8 billion
Adjusted Diluted EPS	\$2.50 to \$2.70
Free Cash Flow	\$1.8 to \$2.0 billion
Capital Expenditures	~ \$3.0 billion

Liquidity Overview

- Completed \$235 million debt issuance in late January
- Expect to be opportunistic in coming months to refinance June 2016 maturity
- Additional capacity of ~\$1.4 billion on credit facility
- Estimated free cash flow of \$1.8 to \$2.0 billion after ~ \$3.0 billion of capital expenditures
- 2016 expected dividend payout ratio of low-to-mid 60%

Debt Maturity Schedule



Q&A