

4th Quarter and Full Year 2016 Earnings Results

February 8, 2017

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 decreased demand for our legacy offerings and increased pricing pressures; 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 regulatory or judicial proceedings relating to intercarrier compensation, interconnection obligations, access charges, universal service, broadband deployment, data protection and net neutrality; our ability to successfully complete our pending acquisition of Level 3, including the timely receipt of all requisite financing and all shareholder and regulatory approvals free of any detrimental conditions, and to timely realize the anticipated benefits of the transaction, including our ability to attain anticipated cost savings, to use Level 3’s net operating losses in the amounts projected, to retain key personnel and to avoid unanticipated integration disruptions; 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 our products and services, including our ability to effectively respond to increased demand for high-speed broadband service; our ability to successfully maintain the quality and profitability of our existing product and service offerings, to provision them efficiently to our customers, 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, periodic share repurchases, dividends, pension contributions and other benefits payments, and debt repayments; changes in our operating plans, corporate strategies, dividend payment plans or other capital allocation plans, whether based upon changes in our cash flows, cash requirements, financial performance, financial position, market conditions or otherwise; 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, including those caused by changes in markets, interest rates, mortality rates, demographics or regulations; adverse changes in our access to credit markets on favorable terms, whether caused by changes in our financial position, lower debt credit ratings, unstable markets or otherwise; our ability to maintain favorable relations with our key business partners, suppliers, vendors, landlords and financial institutions; our ability to effectively manage our network buildout project and our other 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, including potential future impairment charges; the effects of terrorism, 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, whether as a result of new information, future events or developments, changed circumstances, or otherwise. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions as of the date of such forward-looking statement, and is based upon, among other things, existing regulatory, technological, industry, competitive, economic and market conditions, and our assumptions as of such date. 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 historical and forward-looking 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 these non-GAAP financial measures, along with any additional non-GAAP financial measures that may be discussed during the earnings call, to the most comparable GAAP measures are 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. We may determine or calculate our non-GAAP measures differently from other companies.

Participants

Glen Post

Chief Executive Officer & President

Stewart Ewing

Executive Vice President & Chief Financial Officer

Dean Douglas

President, Enterprise Markets

Maxine Moreau

President, Consumer Markets

Financial & Strategic Overview

Glen Post

Chief Executive Officer & President

Key Objective

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

Operational Initiatives

Maximize market penetration of enabled network & adjacent services

Invest with discipline and a network-first focus

Create great customer experiences

Optimize operating and capital efficiencies

Key Drivers for 2017

- Improving Consumer broadband subscriber trends
- Solid and improving Business network sales performance
- Increasing work in progress, while shortening provisioning intervals
- Availability of enhanced products and solutions
- Realignment into customer-facing organizations

Transaction Updates

- Sale of data centers and colocation business
 - Expect to close by March 31, 2017
- Acquisition of Level 3 Communications
 - Completed state and federal regulatory filings; expect to complete international filings in the next few weeks
 - Formed Integration Management Office and began integration planning
 - Expect to close by September 30, 2017

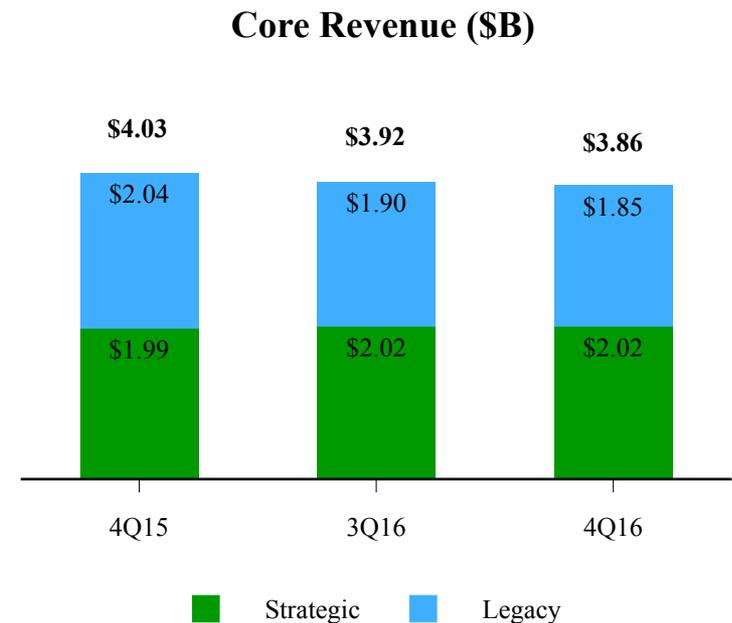
4Q Results & Guidance Overview

Stewart Ewing

Executive Vice President & Chief Financial Officer

4Q16 Financial Summary

- \$4.29 billion in Total revenue
 - \$3.86 billion Core revenue¹, 4.1% Y/Y decrease from 4Q15
 - \$2.02 billion Strategic revenue², 1.2% Y/Y increase from 4Q15
 - \$1.85 billion Legacy revenue², a 9.3% Y/Y decrease from 4Q15
- Operating income of \$392 million; operating cash flow³ of \$1.59 billion; free cash flow³ of \$190 million
- \$0.08 diluted EPS, includes over \$200 million of severance and acquisition costs; \$0.54 Adjusted Diluted EPS³



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

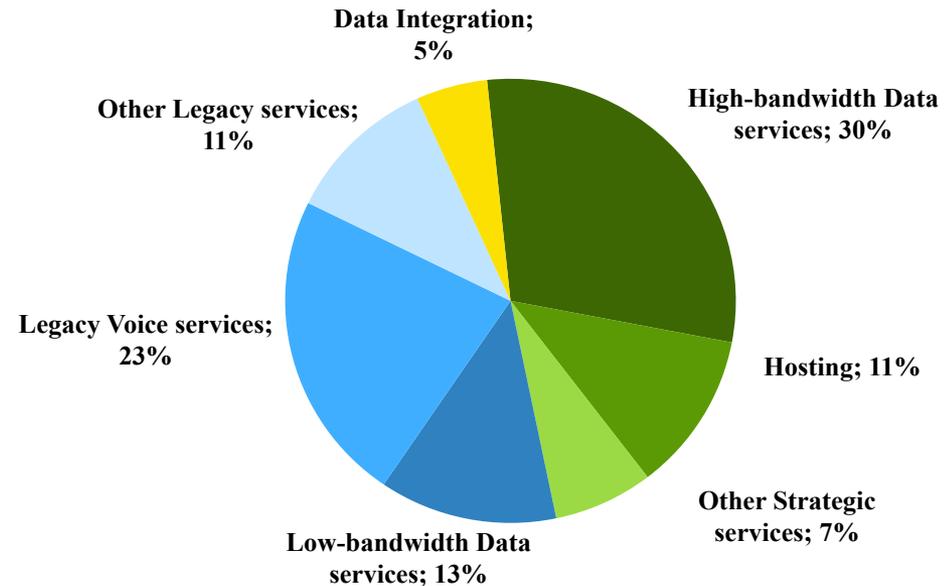
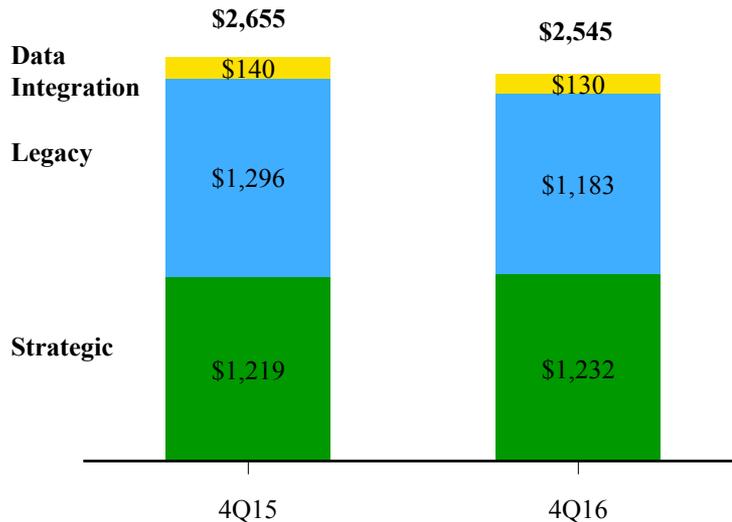
(2) Beginning second quarter 2016, private line (including special access) revenues were reclassified from strategic services to legacy services. All historical periods have been restated to reflect this change

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

Business Segment

Business - Operating Revenue

\$ in millions

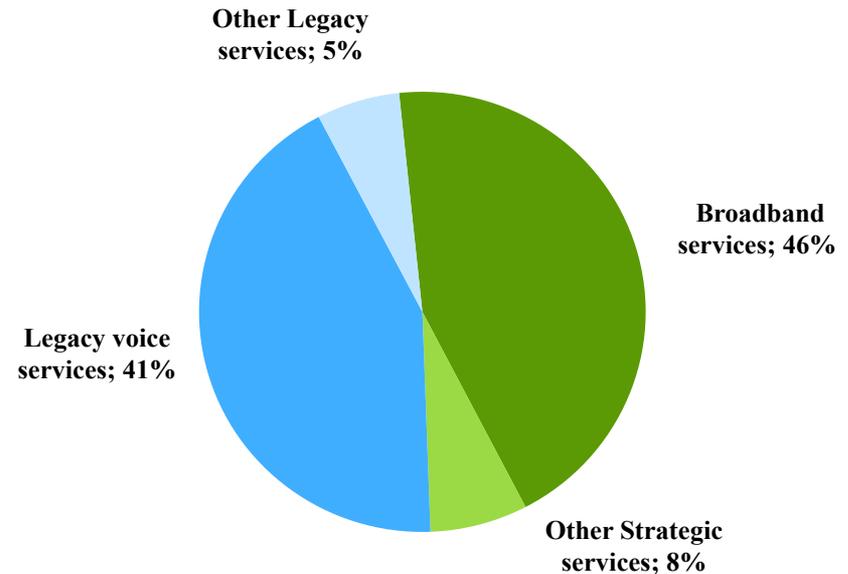


- Total revenue decline of 4.1% Y/Y
 - Strategic revenue increased 1.1% Y/Y - growth in high-bandwidth data services
 - Legacy revenue declined 8.7% Y/Y - lower voice and low-bandwidth data services revenues
 - Data integration revenue decreased \$10 million, or 7.1%, Y/Y - lower CPE sales
- Operating expenses flat Y/Y

Consumer Segment

Consumer - Operating Revenue

\$ in millions



- Total revenue decline of 4.3% Y/Y
 - Strategic revenue increased 1.4% Y/Y - growth in Prism™ TV revenues
 - Legacy revenue declined 10.4% Y/Y - lower access lines
- Operating expenses increased 2.4% Y/Y - primarily higher Prism™ TV costs

Guidance

1st Quarter 2017⁽¹⁾	
Operating Revenue	\$4.23 to \$4.29 billion
Core Revenue	\$3.80 to \$3.86 billion
Operating Cash Flow	\$1.49 to \$1.55 billion
Adjusted Diluted EPS	\$0.51 to \$0.57

Full-Year 2017⁽¹⁾	
Operating Revenue	\$17.05 to \$17.3 billion
Core Revenue	\$15.25 to \$15.5 billion
Operating Cash Flow	\$6.15 to \$6.35 billion
Adjusted Diluted EPS	\$2.10 to \$2.30
Free Cash Flow	\$1.55 to \$1.75 billion
Capital Expenditures	~ \$2.6 billion

Q&A