



3rd Quarter 2012 Earnings Results

November 7, 2012

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 communications companies; any adverse developments in legal proceedings involving us; our ability to pay a \$2.90 per common share dividend annually, 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, 2011, 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 Markets Group

Jim Ousley

Chief Executive Officer, Savvis & President, Enterprise Markets Group

Strategic Overview

Glen Post

Chief Executive Officer & President



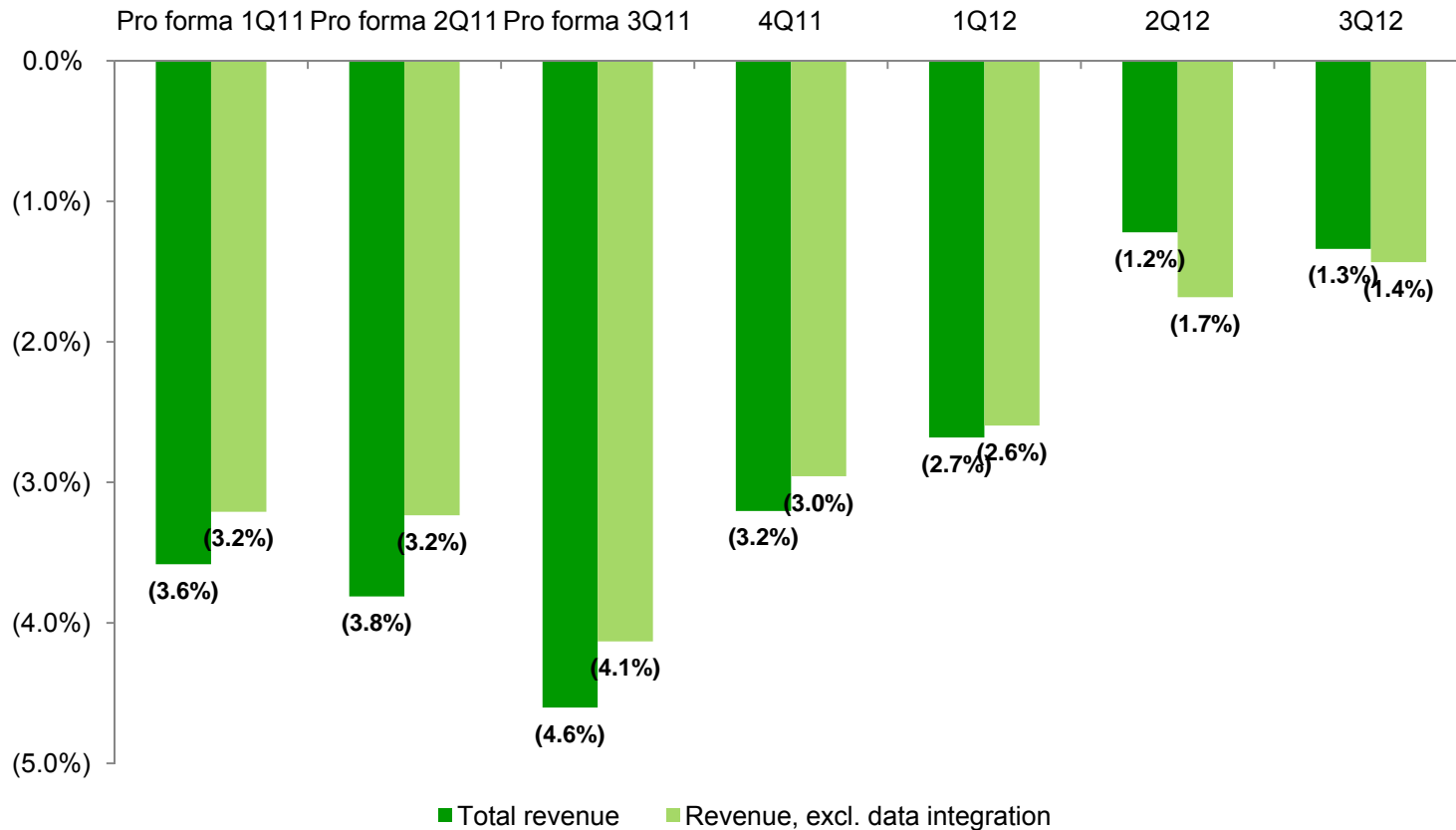
Strategic Overview

- ▶ Improved Revenue Trend - annual revenue decline of 1.3% in 3Q12 compared to decline of 4.6% in pro forma 3Q11
- ▶ Excluding data integration, revenue declined 1.4% in 3Q12 compared to 4.1% in pro forma 3Q11
- ▶ Remain on track to achieve synergy targets associated with Qwest and Savvis integrations
- ▶ Achieved solid line loss improvement year-over-year and continued broadband growth
- ▶ Generated strong strategic data revenue growth in Enterprise Markets and Regional Markets segments
- ▶ Continued disciplined investment in our key strategic initiatives

Strategic Overview - 2013 Outlook

- ▶ Investments in key strategic areas to date have driven strategic revenue growth and we expect to continue to invest in these areas in the future
- ▶ Anticipate further revenue improvement in 2013 with annual rate of revenue decline of -0.5% to -1.5%
- ▶ Expect to reach revenue stabilization in 2014
- ▶ Continued revenue mix shift and investment in strategic initiatives, along with lower level of annual incremental synergies in 2013, will result in lower operating and free cash flows year-over-year
- ▶ Company expects to provide 2013 guidance in mid-February

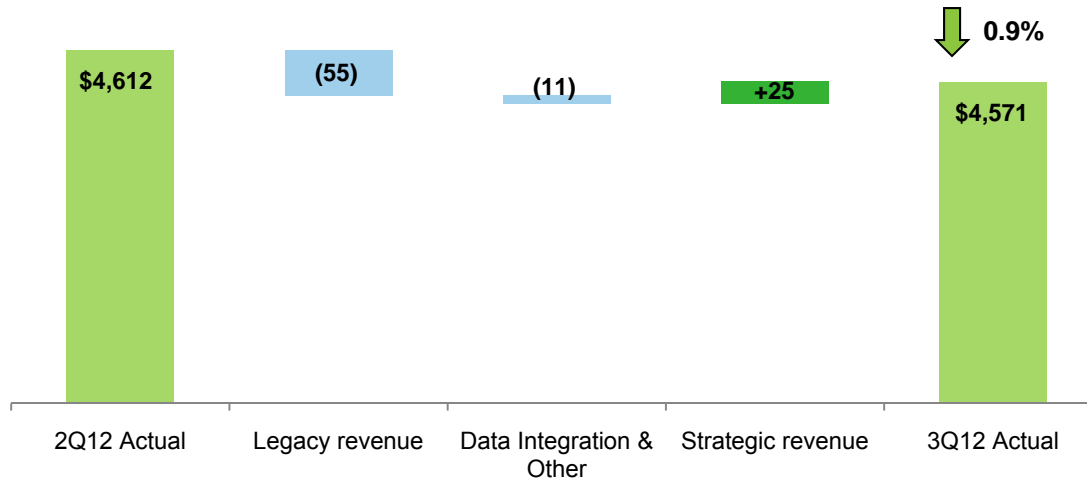
Quarterly Revenue Trend



Continue to improve revenue trend

3Q12 Revenue Drivers

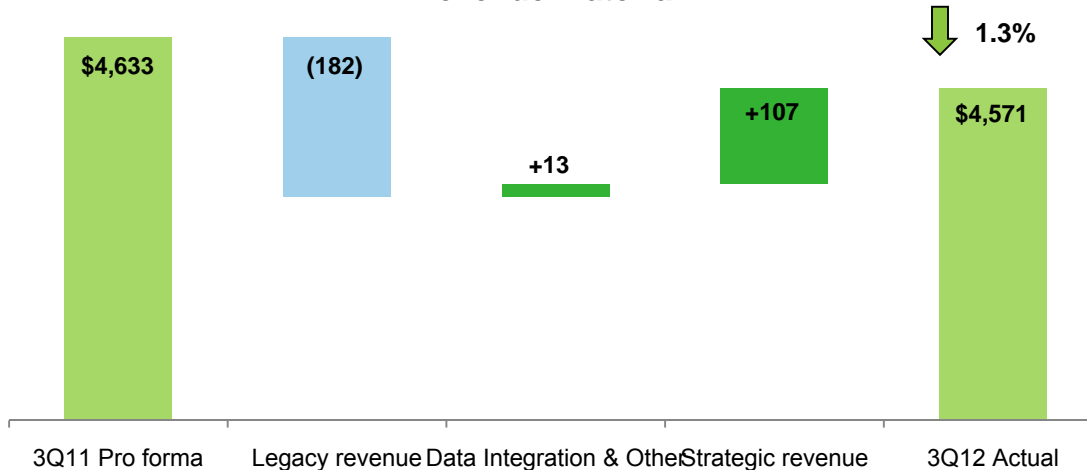
**3Q12 vs. 2Q12
Revenue Waterfall**



Sequential: 3Q12 vs. 2Q12

- ▶ Strategic revenue growth driven by HSI, Prism and high-bandwidth business data services
- ▶ Legacy decline due to impact of line losses and lower MOU. Small net impact from implementation of the CAF Order¹
- ▶ Other revenue decreased due to reduction in USF contribution rate

**3Q12 vs. Pro Forma 3Q11
Revenue Waterfall**



Annual: 3Q12 vs. Pro forma 3Q11

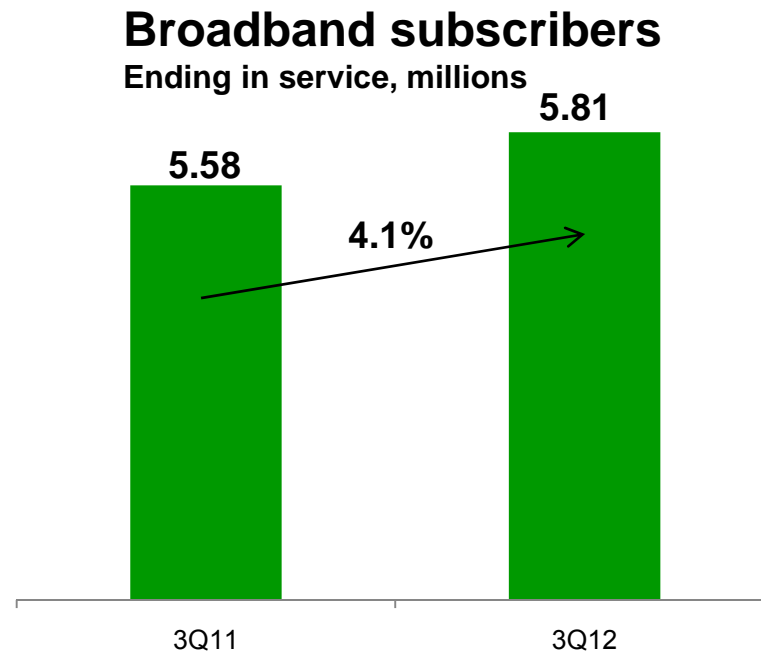
- ▶ Strategic revenue growth driven by MPLS & Ethernet services, HSI, managed hosting and Prism
- ▶ Legacy revenue decline driven by access lines losses and lower access revenue
- ▶ Other revenue increased primarily due to higher USF contribution rate

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

Broadband Expansion & Enhancement

Achieving growth in broadband penetration

- ▶ Added over 44,000 high-speed Internet subscribers during the quarter, ending with more than 5.8 million broadband customers
- ▶ Enabled over 310,000 living units with Fiber-to-the-node (FTTN) during 3Q12 – over 700,000 enabled YTD 2012
- ▶ Expanded Ethernet over Copper footprint, improving broadband speed availability



Prism™ TV

Expanding footprint and growing subscriber base

- ▶ Expanded Prism™ TV subscribers by 11% in 3Q12 from 2Q12 and increased penetration of homes passed to more than 10%
- ▶ Nearly 55% of new Prism™ TV customers added during 3Q12 were new to CenturyLink
- ▶ New Prism™ TV customers continue to reflect high multi-product attachment rates with over 90% adding HSI service
- ▶ Soft launch of new service in Phoenix by end of year, with commercial launch to follow in first half 2013

Prism TV Markets

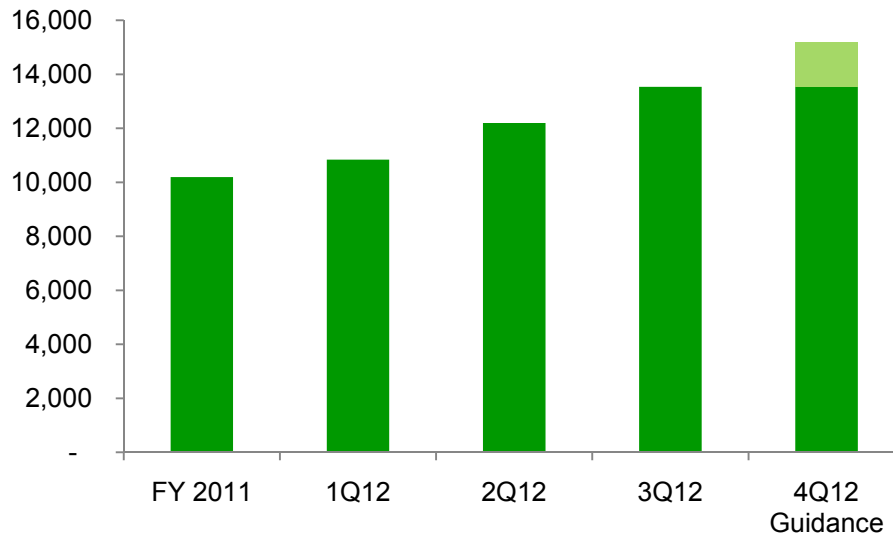


Fiber-to-the-Tower (FTTT)

Investing in FTTT to drive long-term growth

Fiber-to-the-Tower:

Cumulative builds complete at period-end



- ▶ Completed 1,335 fiber builds in 3Q12 and over 3,300 year-to-date
- ▶ On track to achieve targeted 4,000 – 4,500 fiber builds for full year 2012
- ▶ Expect initial revenue compression due to the transition from copper-based to fiber and Ethernet connectivity; however, average bandwidth capacity of initial fiber-based connections are increasing
- ▶ 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

- ▶ Opened data center in Singapore and expanded capacity in New York/New Jersey market during 3Q12 - 53 total data centers and 1.4 million sellable square feet across globe
- ▶ Bookings weaker in 3Q than expected as a few large opportunities delayed decision making
- ▶ Continued opportunity in leveraging cross-selling opportunities of Savvis products with enterprise customers
- ▶ Launched savvisdirect¹ beta in late October – offering cloud computing for businesses of all sizes
- ▶ Closed acquisition of certain assets of Ciber's global IT Outsourcing (ITO) business in mid-October

(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

Summary

- ▶ Solid third quarter results with strong cash flows and improving top-line revenue trend
- ▶ Strong improvement in line loss trend and continued growth in high-speed Internet, Prism™ TV customers and strategic data
- ▶ Focused investment in key strategic initiatives positively impacting strategic revenue growth
- ▶ Soft launch of Prism™ TV in Phoenix in 4Q positions company for growth in 2013
- ▶ Leveraging Savvis assets to develop platform to drive organic growth (i.e. savvisdirect)

3Q12 Financial Results & Guidance Overview

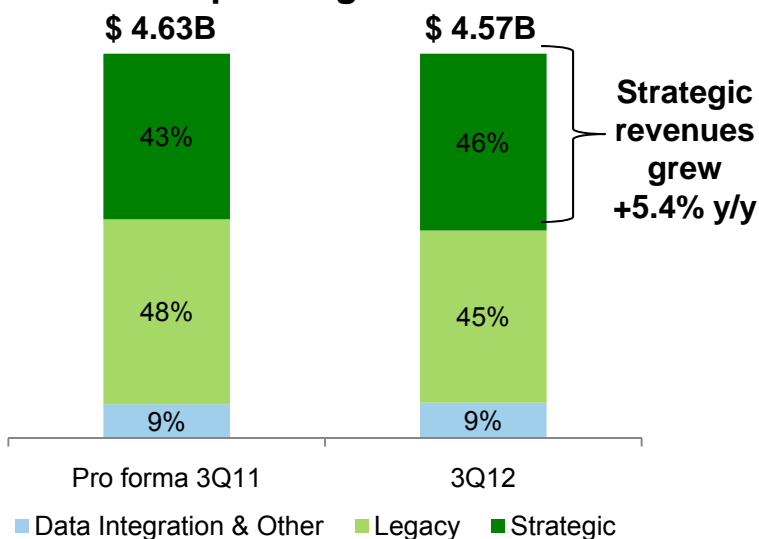
Stewart Ewing

Executive Vice President & Chief Financial Officer



3Q12 Financial Summary

Consolidated Operating Revenues



3Q12 Guidance, Mid-Point	\$0.565
Depreciation and amortization	\$0.035
Lower seasonal maintenance/other costs	\$0.020
Property taxes	\$0.020
CAF Order impact	\$0.010
Higher Synergies	\$0.010
Adjusted Diluted EPS	\$0.660

- ▶ Strong quarter: \$4.57 billion in revenues, in line with guidance
 - Total revenue declined 1.3% from pro forma 3Q11¹, 1.4% decline excluding data integration revenue
 - Strategic revenues of \$2.1B, 5.4% annual increase from pro forma 3Q11
- ▶ \$0.66 Adjusted Diluted EPS², exceeding guidance
- ▶ Free cash flow³ generation of \$905 million (excl. special items and integration-related capital)

⁽¹⁾ Quarter Ended 9/30/2011 reflects financials as if Savvis merger occurred effective 01/01/10

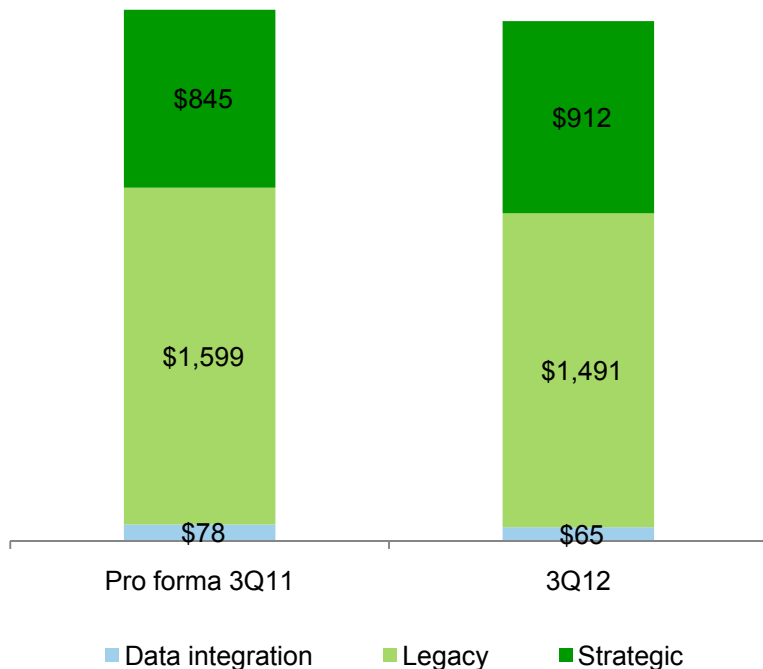
⁽²⁾ See supporting financial schedules available at ir.centurylink.com

⁽³⁾ Free Cash Flow calculated as operating cash flow less cash paid for taxes, interest and capital expenditures, adjusted for other income/(expense).

Regional Markets

Regional Markets - Operating Revenues

\$ in millions



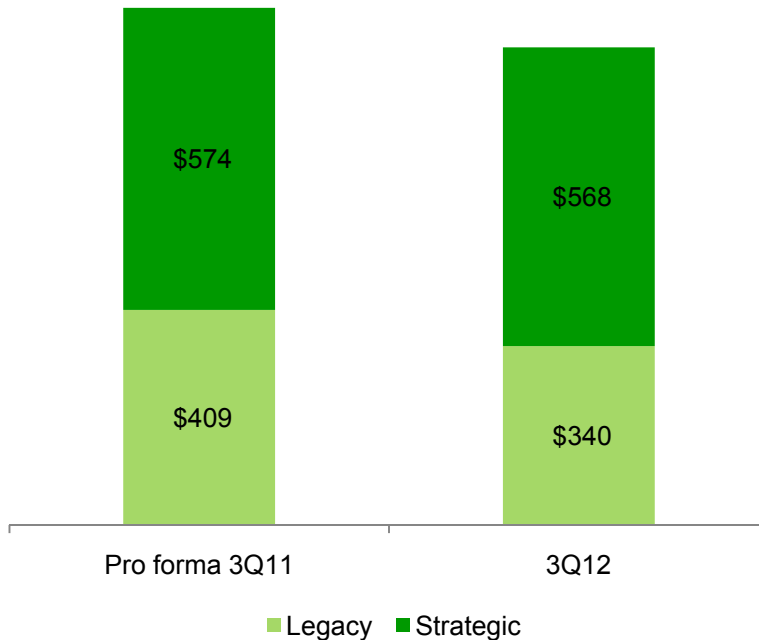
- ▶ Strategic revenue increased nearly 8% from year-ago period driven by growth of broadband and Prism™ TV subscribers and higher revenue from strategic business data services (i.e. Ethernet and MPLS) and network managed services
- ▶ Excluding the impact of private line revenues, strategic revenues grew approximately 9%
- ▶ Legacy services revenue declined 6.8% in 3Q12 due to lower local and LD revenue partially mitigated by implementation of the CAF Order²
- ▶ Operating expenses declined ~1% y/y as lower employee related and data integration costs were partially offset by higher Prism™ TV

(1) Pro forma 9/30/2011 reflect financials as if Savvis merger occurred effective January 1, 2010

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

Wholesale Markets

Wholesale Markets - Operating Revenues \$ in millions



- ▶ Strategic revenues declined slightly from pro forma 3Q11 primarily driven by rate compression due to customer shifts to Ethernet services
- ▶ 63% of Wholesale Markets revenues from strategic services, up from 58% pro forma year-ago period
- ▶ Lower access revenues driven by implementation of the CAF Order² and lower minutes of use continue to pressure legacy revenue
- ▶ Segment expense declined 11% from pro forma 3Q11 driven by lower access expense and allocated costs

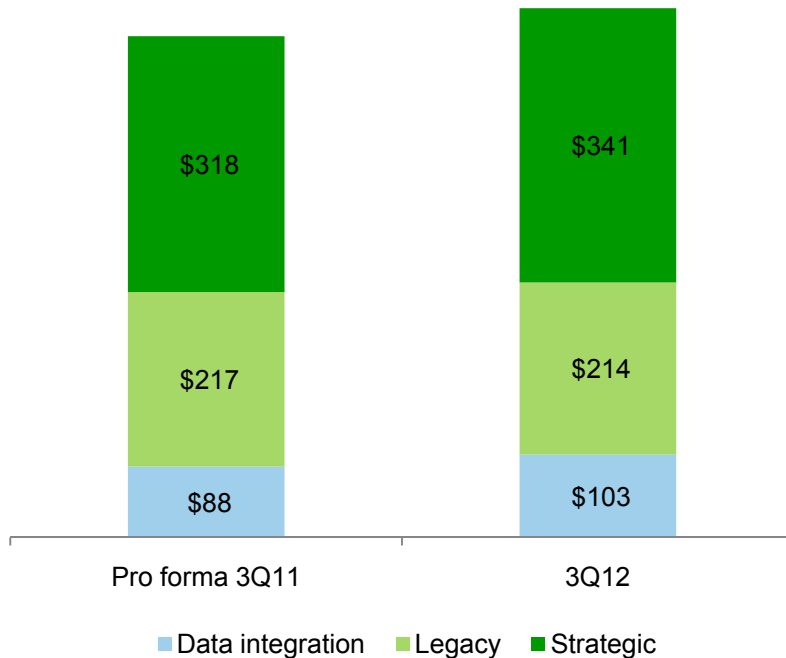
(1) Pro forma 9/30/2011 reflect financials as if Savvis merger occurred effective January 1, 2010

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

Enterprise Markets - Network

Enterprise Markets - Network - Operating Revenues

\$ in millions



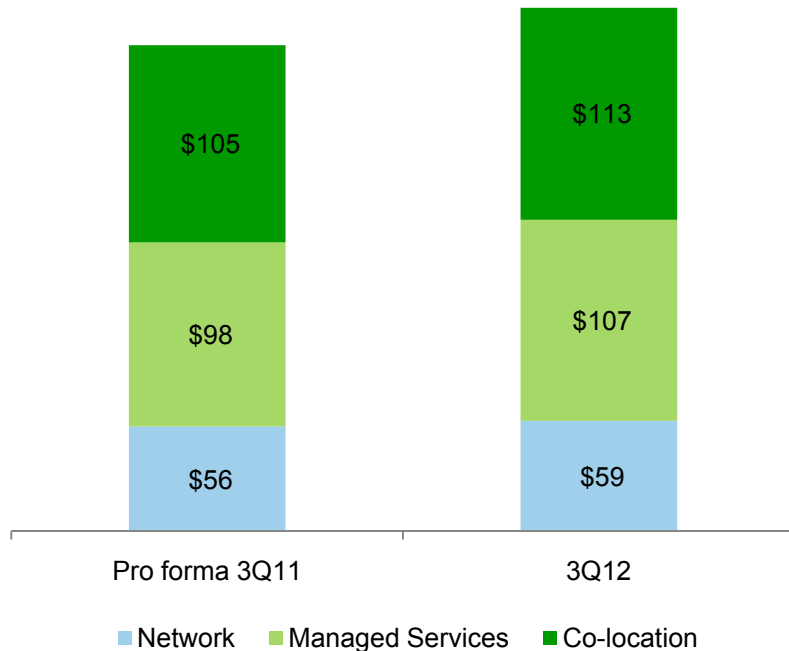
- ▶ Strategic revenue increased 7.2% from pro forma 3Q11 fueled by strength in high-bandwidth products including MPLS, Ethernet and DWDM.
- ▶ Excluding private line, strategic revenues grew over 13%
- ▶ Recurring revenue grew for third sequential quarter and increased nearly 4% from the same year-ago period
- ▶ Continue to experience solid sales momentum from enterprise and government customers

(1) Pro forma 9/30/2011 reflect financials as if Savvis merger occurred effective January 1, 2010

Enterprise Markets – Data Hosting

Enterprise Markets - Data Hosting - Operating Revenues

\$ in millions



- ▶ Managed hosting revenue grew 9.2% over pro forma year-ago period and colocation grew 7.6% over the same period
- ▶ 3Q12 churn in line with expectations but anticipate some increase in 4Q12 churn as a result of bankruptcy impact
- ▶ Expenses increased year-over-year driven primarily by higher personnel-related costs and savvisdirect expenses

(1) Pro forma 9/30/2011 reflect financials as if Savvis merger occurred effective January 1, 2010

(2) 3Q12 product revenues sum may not match Earnings Release or accompanying schedules due to rounding

Guidance

4th Quarter 2012

Operating Revenues	\$4.56 - \$4.61 billion
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Operating Cash Flow	\$1.90 - \$1.94 billion
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Adjusted Diluted EPS	\$0.64 - \$0.69
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Full Year 2012

Previous Guidance

Current Guidance

Operating Revenue	\$18.3 - \$18.4 billion	\$18.35 - \$18.4 billion
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Operating Cash Flow	\$7.5 - \$7.65 billion	\$7.64 - \$7.68 billion
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Adjusted Diluted EPS	\$2.45 - \$2.55	\$2.64 - \$2.69
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Capital Expenditures ¹	\$2.7 - \$2.8 billion	\$2.75 - \$2.85 billion
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Free Cash Flow	\$3.25 - \$3.4 billion	\$3.3 - \$3.4 billion
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¹ Excludes approximately \$65 million of integration-related capital expenditures

Financial Review

- ▶ Generated solid strategic revenue growth during the quarter
- ▶ Achieved good cost containment - Qwest operating synergies being achieved earlier than anticipated along with lower than anticipated seasonal operating expenses
- ▶ Strong balance sheet and financial flexibility
- ▶ Returning meaningful cash to shareholders

Q & A



Concluding Remarks

Glen Post

Chief Executive Officer & President



Closing

- ▶ Strong third quarter results with continued top line revenue trend improvement
- ▶ Solid strategic revenue growth which is expected to continue to improve
- ▶ Key strategic initiatives continue to strengthen CenturyLink's competitive position
- ▶ Acquisition of Ciber ITO assets and savvisdirect beta launch strengthen our managed hosting and cloud services capabilities for business customers
- ▶ Anticipated 4Q soft launch of Prism™ TV in Phoenix further expands strategic consumer revenue growth opportunity

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



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