



2nd Quarter 2013 Earnings Results

August 7, 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, projected, expressed or implied 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 the outcome of regulatory or judicial proceedings relating to intercarrier compensation, access charges, universal service, broadband deployment and net neutrality); 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 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, including our ability to effectively respond to increased demand for high-speed broadband 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 or regulatory proceedings involving us; our ability to pay common share dividends in accordance with past practices, 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 other of our filings with 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 of our Form 10-Q for the quarter ended March 31, 2013, 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 report. 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 VonDeylen

President, Savvis

2Q13 Highlights & Strategic Overview

Glen Post

Chief Executive Officer & President



2Q13 Highlights

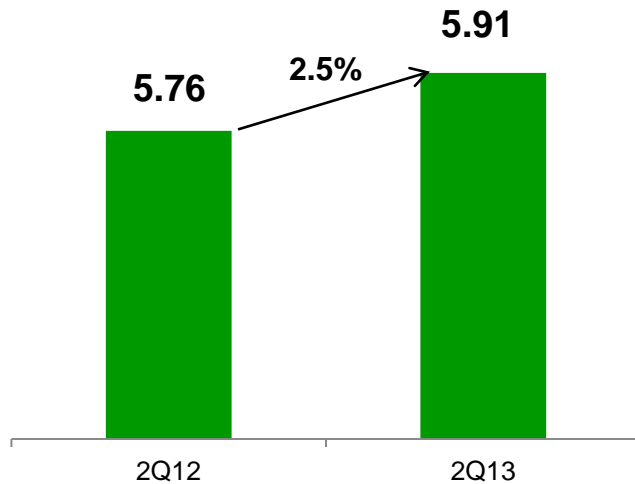
- ▶ Strategic revenues grew 4.1% driven by strength in high-speed Internet, high-bandwidth data services, data hosting and Prism™ TV revenues
- ▶ Reduced quarterly cash expenses compared to year-ago period primarily driven by lower personnel-related and data integration costs
- ▶ Achieved strong recurring network and hosting product sales among business customers
- ▶ Strong financial performance in 1H13 – expect continued strategic revenue growth in 2H13 although tempered by slower acceleration of data hosting revenues and faster decline of low bandwidth service revenues than originally anticipated
- ▶ Repurchased 12.8 million shares for \$465 million during 2Q for a total retirement of nearly 29 million shares for approximately \$1 billion since the inception of the stock repurchase program in mid-February 2013
- ▶ Announced July 30th the tentative agreement in contract negotiations with Communications Workers of America (CWA) covering approximately 12,000 employees

Broadband Expansion & Enhancement

Achieving growth in broadband penetration

Broadband subscribers

Ending in service, millions



- ▶ Ended second quarter with more than 5.9¹ million broadband customers
- ▶ Decline of 8,400 broadband subscribers due to typical seasonality and lower than expected indirect sales

- ▶ Expanding speed capabilities to high value Business and Consumer customers
- ▶ Added over 1K fiber-fed buildings to our Multi Tenant program targeting speeds up to 500Mbps symmetrical
- ▶ Expanding GPON capabilities into high value business districts
- ▶ Announced Gigabit fiber trials to 50,000 homes in Omaha
- ▶ Continue to expand Ethernet capabilities into areas which don't have a strong fiber footprint

(1) 2Q13 and prior period subscriber counts have been adjusted to include approximately three thousand high-speed Internet subscribers for our wholly-owned subsidiary, El Paso County Telephone, that had been previously excluded.

Prism™ TV

Expanding footprint and growing subscriber base

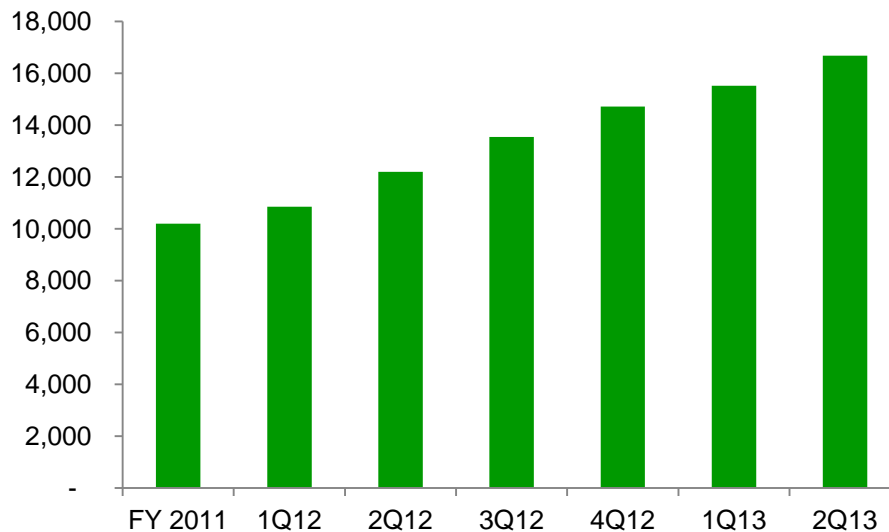
- ▶ Added more than 12,200 Prism™ TV subscribers, a 10% increase from 1Q13; penetration of homes passed is nearly 9%, including newly launched markets
- ▶ Prism™ TV triple play churn in 2Q was over 500 basis points lower than voice single play churn and continues to improve
- ▶ Generated solid subscriber growth in newly launched Phoenix market during 2Q
- ▶ Launched commercial Prism™ TV service in Colorado Springs, Colorado and soft launched in Omaha, Nebraska during second quarter

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 1,150 fiber builds in 2Q13
- ▶ On track to complete 4,000 – 5,000 fiber builds for full-year 2013
- ▶ Fiber-based wireless data backhaul continues to grow
- ▶ Expect to mitigate revenue compression during 2014

Managed Hosting & Cloud Services

Capacity and product portfolio to meet customer needs and market opportunity

- ▶ Generated strong hosting sales during the quarter including accelerating sales to network customers
- ▶ Cross-sell opportunities continue to be strong
- ▶ Acquired AppFog which adds Platform-as-a-Service (PaaS) capabilities specifically tailored to software developers
- ▶ Continued to increase global reach with opening of new data center in London in April 2013
- ▶ Recognized as a leader in Gartner's Magic Quadrant for European Managed Hosting

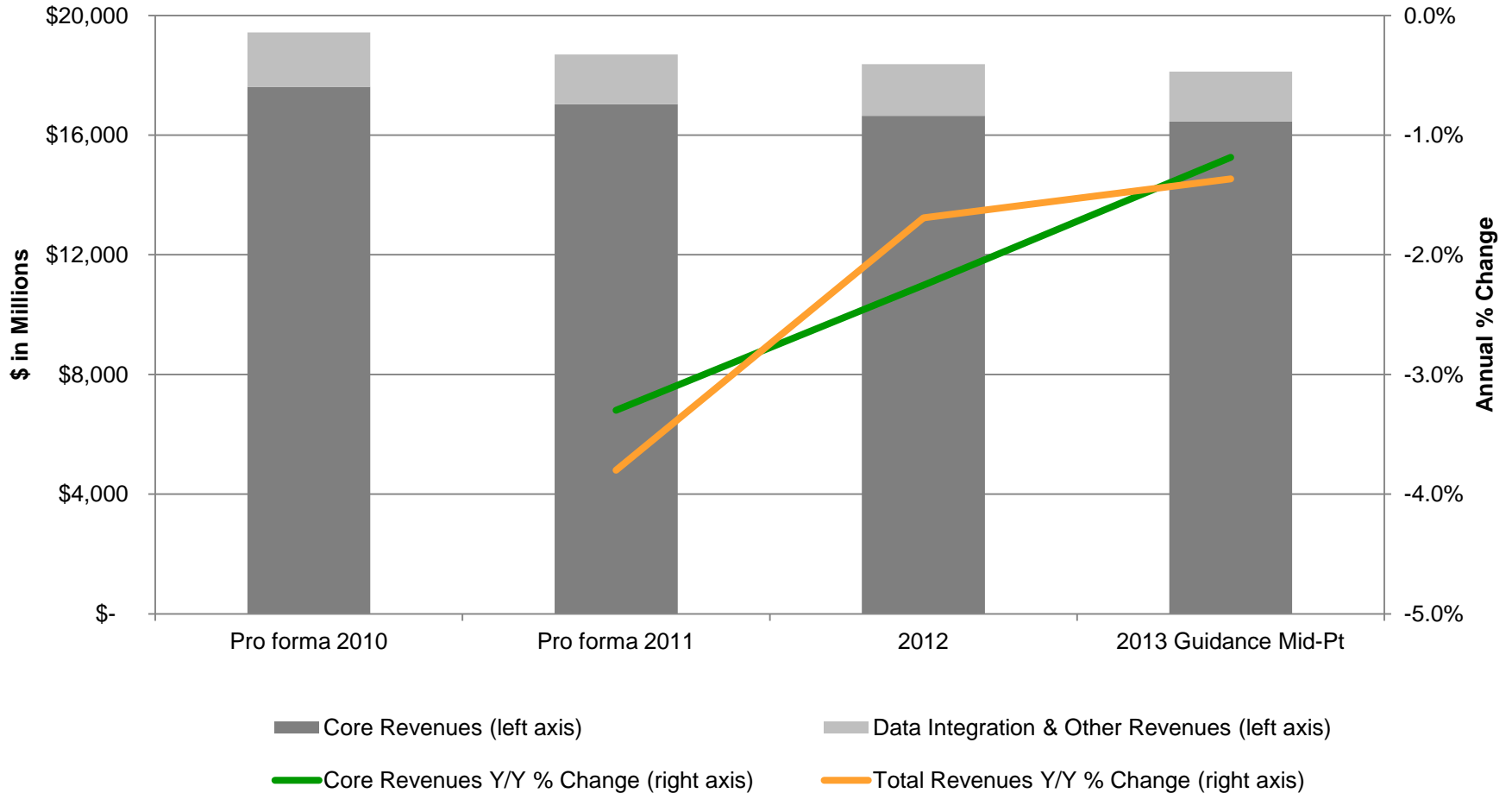
2Q13 Financial Results & Guidance Overview

Stewart Ewing

Executive Vice President & Chief Financial Officer

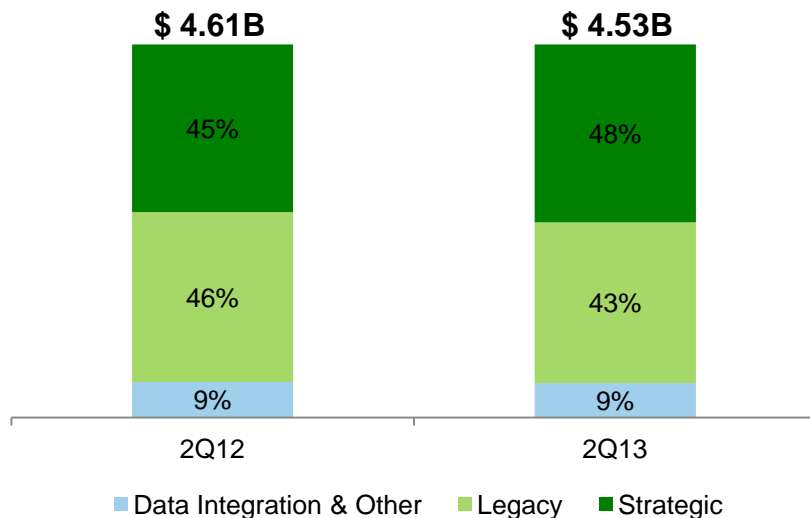


Revenues Trend

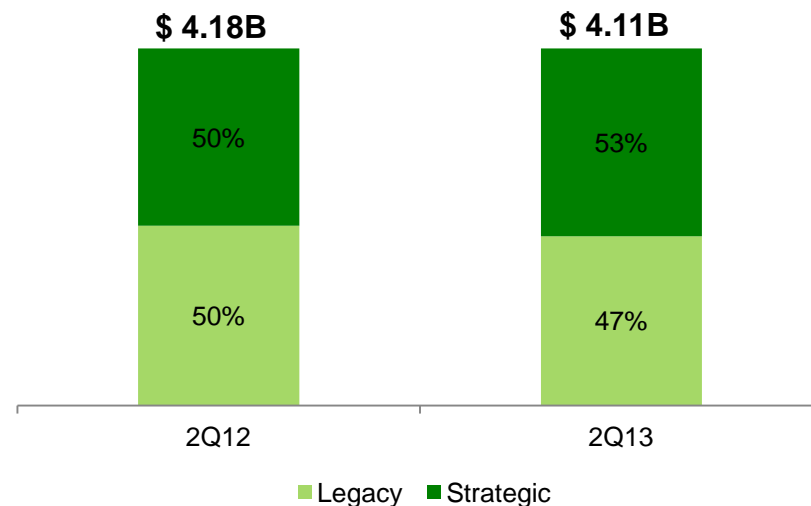


2Q13 Financial Summary

Consolidated Operating Revenues



Core Revenues¹



► \$4.53 billion in revenues

- Total revenues declined 1.9% from 2Q12
- Core revenues¹ of \$4.11 billion
- Strategic revenues of \$2.2 billion, 4.1% annual increase from 2Q12

► \$0.69 Adjusted Diluted EPS²

► Free cash flow³ generation of \$703 million (excl. special items and integration-related capital)

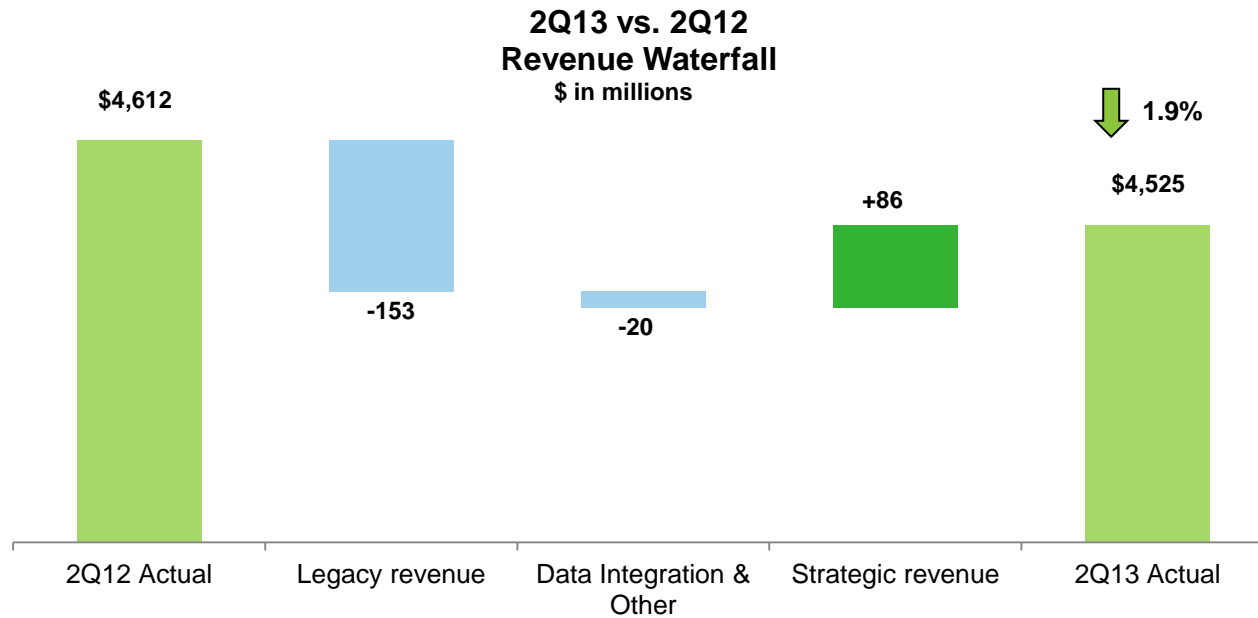
⁽¹⁾ Core revenues defined as Strategic revenues plus Legacy revenues excluding Data Integration and Other revenues

⁽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).



2Q13 Revenue Drivers



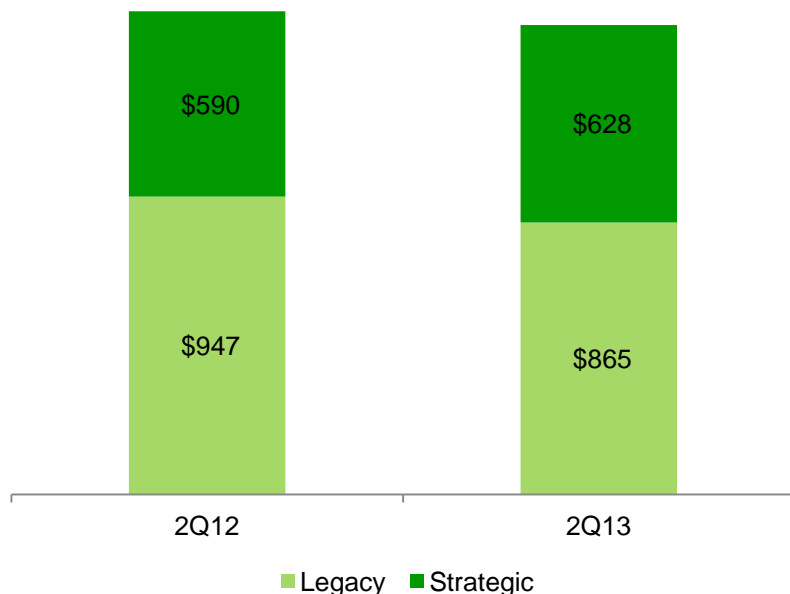
Year-over-year: 2Q13 vs. 2Q12

- ▶ 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

Consumer

Consumer - Operating Revenues

\$ in millions



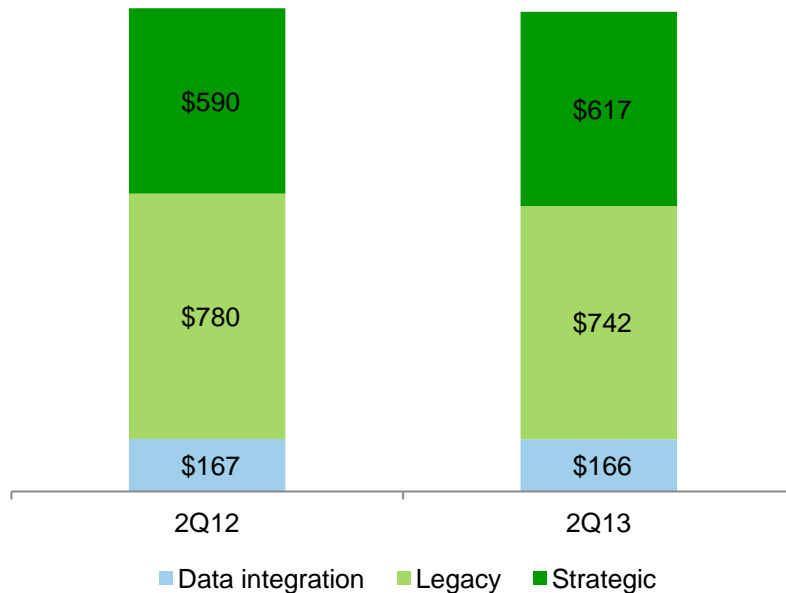
- ▶ Strategic revenue increased 6.4% from year-ago period driven by growth of broadband and Prism™ TV subscribers
- ▶ Legacy services revenue declined 8.7% in 2Q13 due to lower local and LD revenue partially mitigated by implementation of the CAF Order¹
- ▶ Operating expenses declined by \$17mm or 3% y/y driven primarily by lower bad debt expense, network and facility costs 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



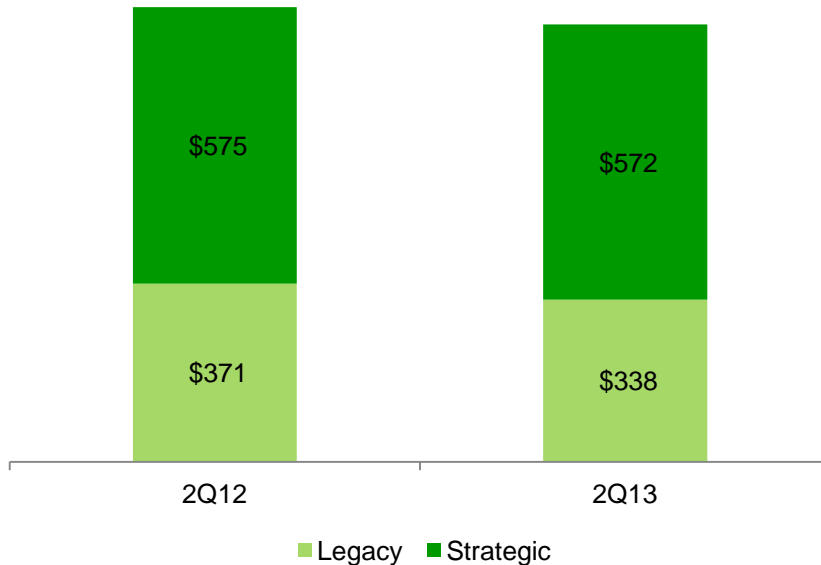
- ▶ Strategic revenue increased 4.6% from 2Q12 fueled by strength in high-bandwidth products including MPLS, Ethernet and Wavelength
- ▶ Excluding low bandwidth data services, strategic revenues grew 10%
- ▶ Legacy services revenue declined 4.9% in 2Q13 due to lower voice revenue partially mitigated by implementation of the CAF Order¹
- ▶ Operating expenses declined \$6 million y/y as lower data integration and network costs 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



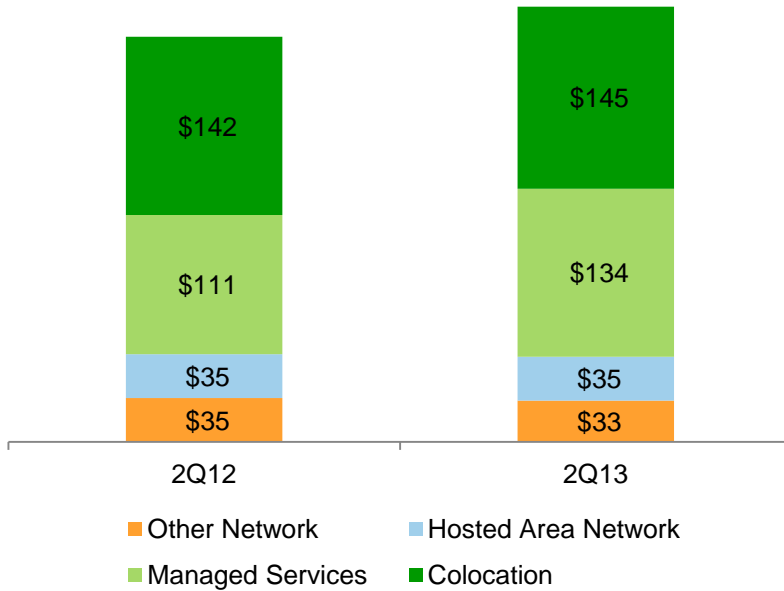
- ▶ Strategic revenues declined slightly from 2Q12 due to reductions in low speed transport services partially offset by growth in Ethernet services and bandwidth expansion by wireless customers
- ▶ Lower access revenues driven by implementation of the CAF Order¹ and lower minutes of use continue to pressure wholesale legacy revenue
- ▶ Segment expenses declined 3.8% from 2Q12 driven primarily by lower facility costs

(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 21% over year-ago period, including \$15mm of 2Q13 revenue from Ciber acquisition, and colocation grew 2% over the same period
- ▶ Sequential revenue growth of 4% from 1Q13 driven by strength in managed hosting revenue
- ▶ Expenses increased y/y driven primarily by higher employee costs, including those related to Ciber acquisition, and savvisdirect expenses

(1) 2Q13 product revenues sum may not match Earnings Release or accompanying schedules due to rounding

Guidance

3rd Quarter 2013

Operating Revenues	\$4.50 to \$4.55 billion
Core Revenues	\$4.09 to \$4.14 billion
Operating Cash Flow	\$1.79 to \$1.83 billion
Adjusted Diluted EPS	\$0.59 to \$0.64

Full-Year 2013

	Previous	Current
Operating Revenues	\$18.1 to \$18.3 billion	\$18.05 to \$18.20 billion
Annual percent change in Operating Revenues	-0.5% to -1.5%	-1.0% to -1.8%
Core Revenues	Not provided	\$16.4 to \$16.5 billion
Annual percent change in Core Revenues	Not provided	-0.9% to -1.5%
Operating Cash Flow	\$7.35 to \$7.55 billion	\$7.35 to \$7.50 billion
Adjusted Diluted EPS	\$2.60 to \$2.75	\$2.63 to \$2.73
Capital Expenditures ¹	\$2.8 to \$3.0 billion	\$2.9 to \$3.0 billion
Free Cash Flow ¹	\$3.05 to \$3.25 billion	\$3.00 to \$3.15 billion

(1) Excludes approximately \$70 million of integration-related capital expenditures

Q & A



Concluding Remarks

Glen Post

Chief Executive Officer & President



Closing

- ▶ Investments in key strategic initiatives continue to strengthen CenturyLink's competitive position and are leading to strong organic revenue growth opportunities
- ▶ Strong and stable demand from business customers for advanced network and hosted IT solutions
- ▶ Core revenues expected to continue to improve in the last half of this year
- ▶ Completed 50% of share repurchase authorization since inception of the program in mid-February