



4th Quarter & Full-Year 2014 Earnings Results

February 11, 2015

Forward-Looking Statements / Non-GAAP Financial Measures

Certain non-historical statements made in this presentation 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 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 timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change, including product displacement; 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, data protection and net neutrality; our ability to effectively adjust to changes in the communications industry, and changes in our markets, product mix and network 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; 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 service; our ability to successfully introduce new product or service offerings on a timely and cost-effective basis; the adverse impact on our business and network from possible equipment failures, security breaches or similar attacks on our network; our ability to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages; our ability to use net operating loss carryovers of Qwest in projected amounts; our continued access to credit markets on favorable terms; our ability to collect our receivables from financially troubled companies; our ability to maintain favorable relations with our key business partners, suppliers, vendors, landlords and financial institutions; any adverse developments in legal or regulatory proceedings involving us; changes in our operating plans, corporate strategies, dividend payment plans or other capital allocation plans, including those caused by changes in our cash requirements, capital expenditure needs, debt obligations, pension funding requirements, cash flows, or financial position, or other similar changes; the effects of adverse weather; other risks referenced from time to time in our filings with the SEC; and the effects of more general factors such as changes in interest rates, in tax laws, 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 September 30, 2014, 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 are inherently speculative and speak only as of the date made. 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

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Karen Puckett

President, Global Markets

4Q14 & 2014 Highlights & Strategic Overview

Glen Post

Chief Executive Officer & President

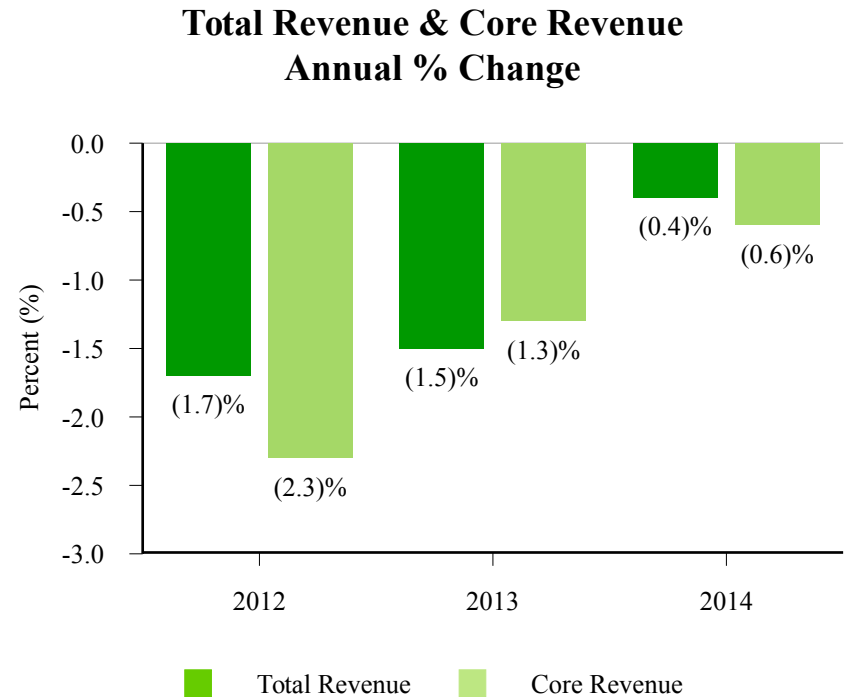


Strategic Overview

- 4Q results slightly below our expectations while full-year 2014 results in-line with guidance
- Recent organizational realignment has strengthened focus on sales and revenue generation
- Enhanced product portfolio to support strategic revenue growth
- Well positioned in our markets, strong portfolio of strategic assets and committed to achieving revenue growth

2014 Accomplishments

- Improved Total and Core Revenue trends, anticipate stable revenues in 2015
- Generated solid strategic revenue growth of approximately \$380 million, a 4.3% increase from 2013
- Grew high-bandwidth data services revenue 16% year-over-year
- Added 91,000 high-speed Internet customers and 67,000 Prism™ TV customers
- Increased 20 Mbps and 40 Mbps speed enablement by more than 45% year-over-year
- Generated free cash flow of approximately \$2.7 billion and returned nearly \$1.9 billion to shareholders through dividend and share repurchases



Strategic Priorities

Business Solutions

- Grow MPLS, Ethernet, Wavelength, Business GPON and VoIP offerings
- Enhance cloud and hosting services platform
- Grow Managed Network and Infrastructure Services
- Increase sales efficiency of direct channel and expand partner sales channel
- Engage customers around a broad portfolio of network, hosting/cloud and IT solutions

- Continued strength in sale of high-bandwidth data services
- Ended 2014 with 16 GPON markets and continued strength in customer interest and sales volume
- Seeing increased demand for managed services
- Plan to launch new and expand existing cloud nodes in 2015 to meet growing demand
- Achieved highest colocation sales bookings quarter in history
- Increasing sales production from current partner and adding new partners

Strategic Priorities (continued)

Consumer Broadband and Video

- Deploy fiber deeper into network to drive higher speeds
- Expand Prism TV footprint and penetration

- Expanded 1 Gig areas in 10 markets announced in 2014
- Continue to see 1 Gig halo effect in previously launched markets
- Expanded Prism addressable homes by approximately 385,000 for a total of nearly 2.4 million addressable homes

Operating Efficiency

- Simplify and rationalize network infrastructure
- Automate and improve processes
- Continue to integrate and simplify systems

- Reduced the number of ATM access devices in the network by 11% Y/Y
- Continue to manage expenses related to legacy services
- Migrating internal IT services to our cloud platform

4Q14 Financial Results & Guidance Overview

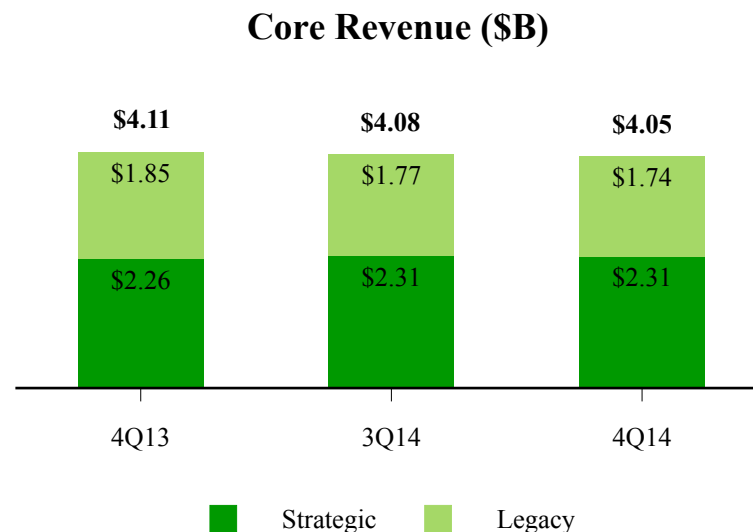
Stewart Ewing

Executive Vice President & Chief Financial Officer



4Q14 Financial Summary

- \$4.44 billion in Total revenue
 - \$4.05 billion Core revenue¹, 1.5% Y/Y decline from 4Q13
 - \$2.31 billion Strategic revenue, 2.2% Y/Y increase from 4Q13 vs. 5.4% Y/Y increase in 4Q13
 - \$1.74 billion Legacy revenue, a 6.1% Y/Y decrease from 4Q13 vs. 6.7% Y/Y decrease in 4Q13



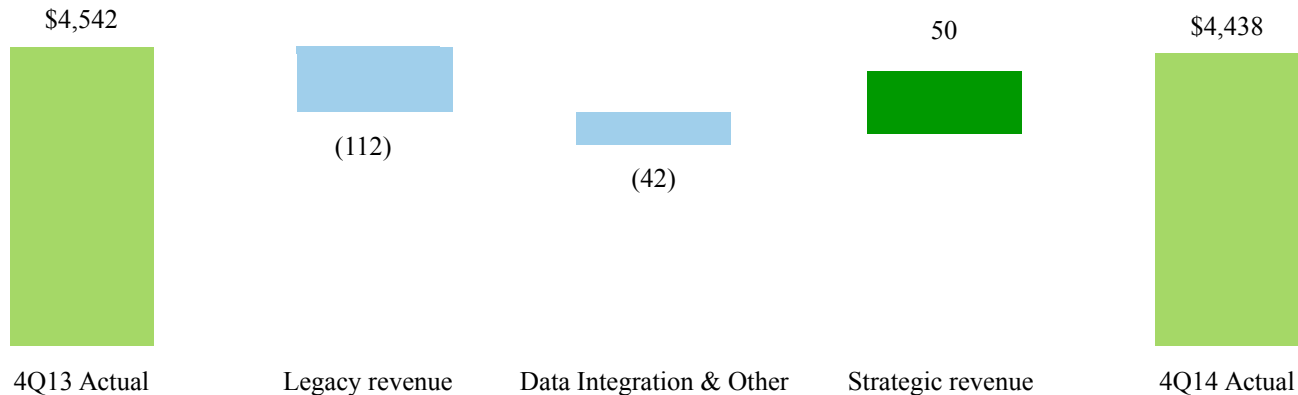
- Added nearly 18,600 high-speed Internet customers and 12,900 Prism™ TV customers
- Operating cash flow² of \$1.71 billion and free cash flow² of \$373 million
- \$0.60 Adjusted Diluted EPS²
- Repurchased 2.3 million shares for nearly \$91 million during 4Q; Full-year 2014 returned nearly \$1.9 billion to shareholders through dividends and share repurchases

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

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

4Q14 Revenue Drivers

4Q14 vs. 4Q13 Revenue Waterfall \$ in millions

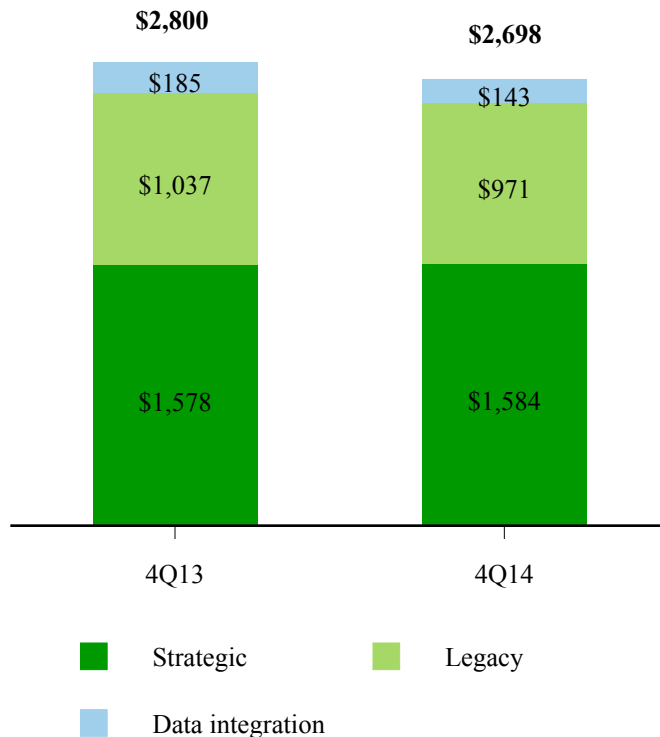


Year-over-year: 4Q14 vs. 4Q13

- Strategic revenue growth driven by MPLS & Ethernet services, high-speed Internet and Prism™ TV
- Legacy revenue decline of \$112 million due to access line losses and lower access revenue; Compares favorably to \$133 million decline in 4Q13
- Data integration and other revenue decreased primarily due to lower CPE sales

Business - Operating Revenue

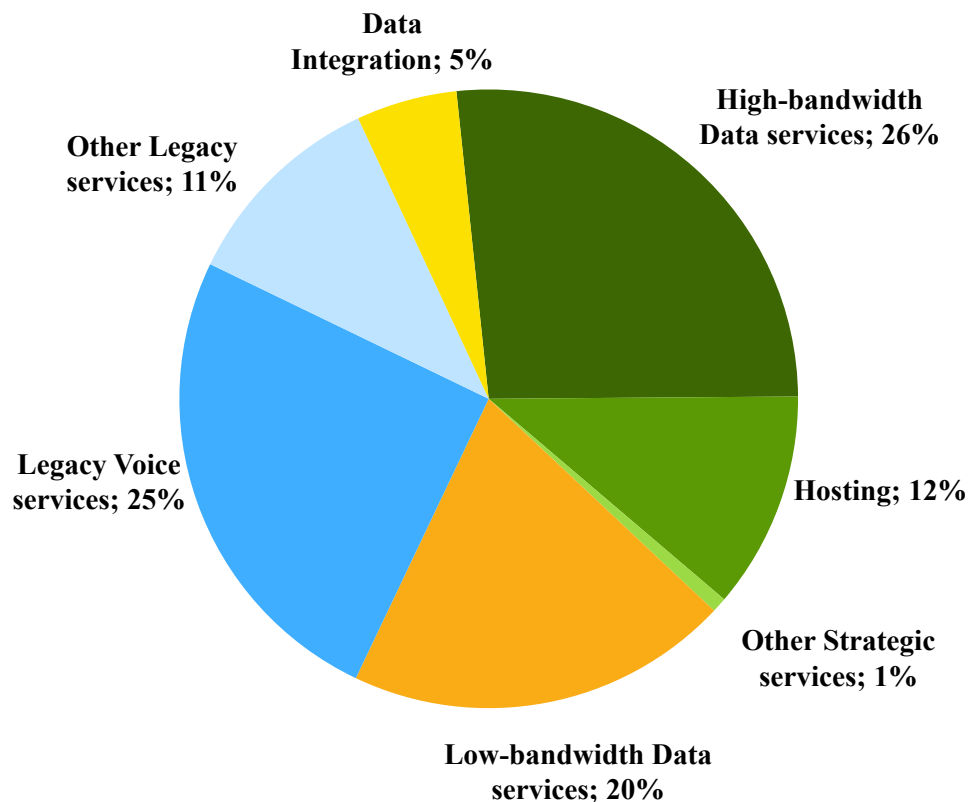
\$ in millions



- Total Y/Y revenue decline of 3.6%
- Strategic revenue increased 0.4% from 4Q13 driven by continued growth in high-bandwidth products including MPLS, Ethernet and Wavelength, partially offset by low-bandwidth data revenue declines
- Legacy revenue declined 6.4% from 4Q13 due to lower voice and switched access revenue
- Operating expenses increased slightly from 4Q13 primarily driven by higher facility costs and sales commissions

Business Revenue Mix

Business Revenue Mix - 4Q14



- High-bandwidth data services¹ revenue grew nearly 12% Y/Y in 4Q14
- Low-bandwidth data services² revenue declined 13% Y/Y primarily due to continued disconnects of TDM circuits by enterprise and wireless carrier customers as they migrate to fiber-based services
- Data integration revenue decreased \$42 million, or 23%, driven by lower CPE sales

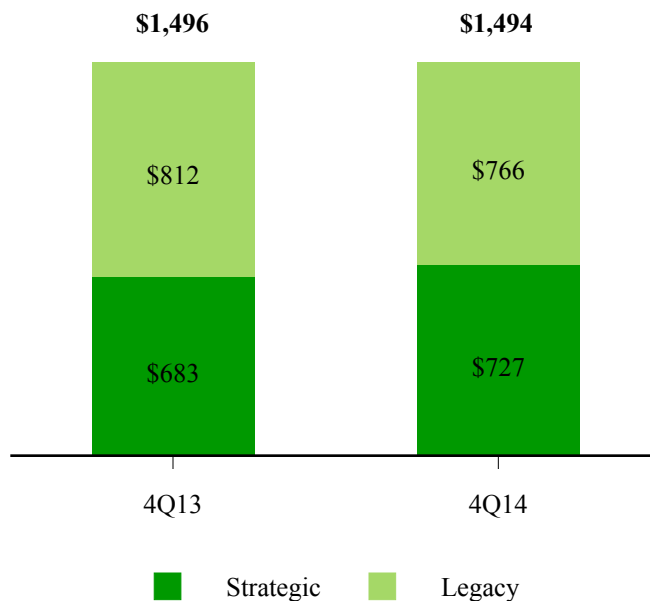
(1) High-bandwidth Data services includes MPLS, Ethernet and Wavelength revenue

(2) Low-bandwidth Data services includes private line and high-speed Internet revenue

Consumer

Consumer - Operating Revenue¹

\$ in millions



- Total Y/Y revenue was nearly flat
- Strategic revenue increased 6.4% from year-ago period driven by growth of high-speed Internet and Prism™ TV customers, select price increases and certain favorable revenue settlements
- Legacy revenue declined 5.7% from 4Q13 due to lower local and LD revenue, partially offset by select price increases
- Operating expenses were approximately flat from 4Q13 as higher Prism™ TV costs were offset by lower employee-related costs

(1) Total revenue for 4Q13 and 4Q14 includes \$1 million of data integration revenue not reflected graphically in the chart

Full-Year & 1Q 2015 Guidance

Full-Year 2015

Operating Revenue	\$17.9 to \$18.1 billion
Core Revenue	\$16.25 to \$16.45 billion
Operating Cash Flow	\$6.8 to \$7.0 billion
Adjusted Diluted EPS	\$2.50 to \$2.70
Capital Expenditures	\$3.0 billion
Free Cash Flow	\$2.5 to \$2.7 billion

1st Quarter 2015

Operating Revenue	\$4.45 to \$4.50 billion
Core Revenue	\$4.04 to \$4.09 billion
Operating Cash Flow	\$1.64 to \$1.69 billion
Adjusted Diluted EPS	\$0.56 to \$0.61

Q & A

