



CenturyLink®

3rd Quarter 2015 Earnings Results

November 4, 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; 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 our net operating loss carryovers 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 Securities and Exchange Commission (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 June 30, 2015, 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. Given these uncertainties, we caution investors not to unduly rely on our forward-looking statements. We undertake no obligation to update or revise any 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 this release, and is based upon, among other things, the existing regulatory and technological environment, industry and competitive conditions, economic and market conditions, and our assumptions as of such date. We may change our intentions, strategies or plans at any time and without notice, based upon any changes in such factors, in our assumptions or otherwise.

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

Ross Garrity

Interim President, Global Markets

3Q15 Highlights & Strategic Overview

Glen Post

Chief Executive Officer & President



3Q15 Overview

- Consumer segment results solid with increased Y/Y revenues primarily due to customer growth and higher ARPU
- Sales to business customers grew both Y/Y and sequentially; Second straight quarter of accelerating sales
- Business sales funnel strong entering 4Q
- Third quarter revenues below expectations, primarily due to hosting and long distance services revenues, higher credits and other one-time items
- Reductions in planned cash expenses on track to achieve \$125 million reduction of planned operating expenses; Capital expenditures on track for \$2.8 billion full-year 2015 spend

Strategic Priorities

Business Solutions

- Grow MPLS, Ethernet, Wavelength, Business GPON and VoIP offerings
 - Grow Hybrid IT Solutions
 - Enhance Managed Network and Infrastructure Services
 - Increase sales efficiency of direct channel and expand partner sales channel
 - Deliver a broad portfolio of network, hosting/cloud and IT solutions
- Retail network sales continued to improve - higher by ~25% Y/Y and ~15% Q/Q
 - Expanded FTTP (including GPON) footprint to now serve 490K businesses and enhanced broadband speeds
 - Continued MPLS and SIP capabilities enablement
 - Enhanced legacy cloud platform to support SAP and SAP HANA workloads

Strategic Priorities (continued)

Consumer Broadband and Video

- Deploy fiber/GPON deeper into network to drive higher speeds
- Expand Prism™ TV footprint and penetration
- Develop home automation and security solutions

- Continue to see good results in GPON and Prism TV markets
- Currently have FTTP available ~780K households
- Expanded Prism™ TV availability to an additional 360K addressable homes
- Implemented revised credit and collection processes

Operating Efficiency

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

- Continued network innovation deployment of SDN/NFV capabilities
- Continued expense management for legacy services
- Migrating internal IT services to cloud platform
- Streamlining and modernizing our workflow processes

Committed to Driving Shareholder Value

- Have engaged financial advisors to begin a review of the strategic alternatives for our data centers and colocation business operations
- Process will include full range of options; Could result in retaining assets and operations as part of CenturyLink portfolio
- Data centers are great assets; Require significant capital; Potentially a more efficient way to enable colocation for our customers
- Process just begun with no set timetable for decision

3Q15 Financial Results & Guidance Overview

Stewart Ewing

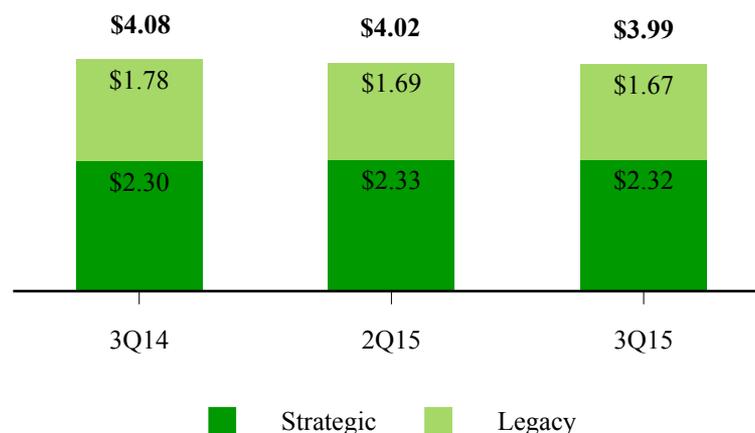
Executive Vice President & Chief Financial Officer



3Q15 Financial Summary

- \$4.55 billion in Total revenue
 - \$3.99 billion Core revenue¹, 2.1% Y/Y decline from 3Q14 due to lower Business strategic revenue growth
 - \$2.32 billion Strategic revenue², 0.7% Y/Y increase from 3Q14
 - \$1.67 billion Legacy revenue², a 5.9% Y/Y decrease from 3Q14
 - Other revenue includes \$150 million increase in high-cost support revenues due to CAF Phase 2 acceptance

Core Revenue (\$B)



- Added approximately 11,300 Prism™ TV customers
- Operating cash flow³ of \$1.78 billion and free cash flow³ of \$747 million
- \$0.70 Adjusted Diluted EPS³
- Repurchased nearly 9.8 million shares for \$263 million during 3Q15

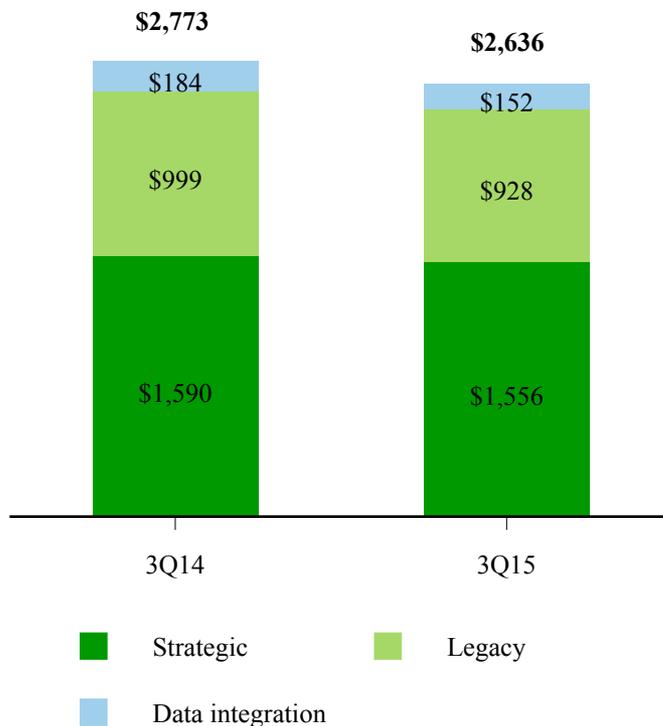
(1) Core revenue defined as strategic revenue plus legacy revenue (excludes data integration and other revenue)

(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 - Operating Revenue

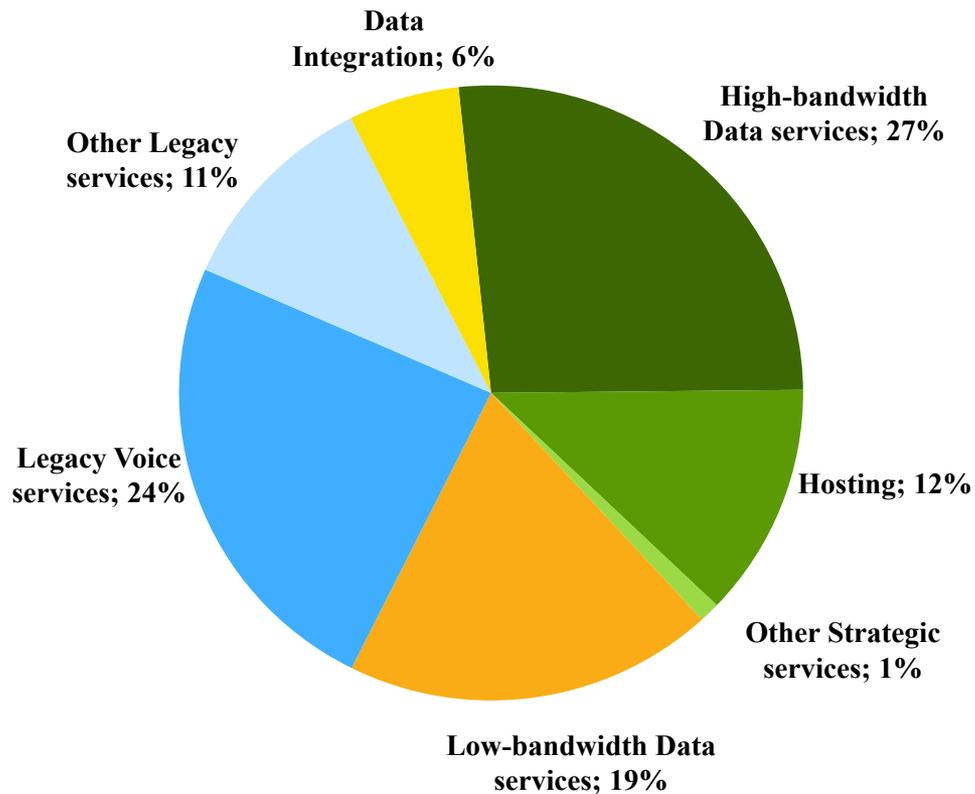
\$ in millions



- Total Y/Y revenue decline of 4.9%
- Strategic revenue decreased 2.1% from 3Q14 driven by the declines in low-bandwidth data services revenue, wholesale re-pricing and one-time items, offset by continued growth in high-bandwidth products including MPLS, Ethernet and Wavelength
- Legacy revenue declined 7.1% from 3Q14 due to lower voice and switched access revenue
- Operating expenses were slightly lower from 3Q14 driven by lower CPE costs partially offset by higher employee-related expenses

Business Revenue Mix

Business Revenue Mix - 3Q15



- High-bandwidth data services¹ revenue grew 6.7% Y/Y in 3Q15
- Retail network high-bandwidth data services revenue grew 8.6% Y/Y
- Low-bandwidth data services² revenue declined 11.8% Y/Y due to continued network grooming and migration to fiber-based services
- Hosting revenue declined 2.1% Y/Y due to higher credit reserves and unfavorable foreign currency impacts partially offset by higher non-recurring charges
- Data integration revenue decreased \$32 million, or 17%, driven by lower CPE sales and maintenance revenues

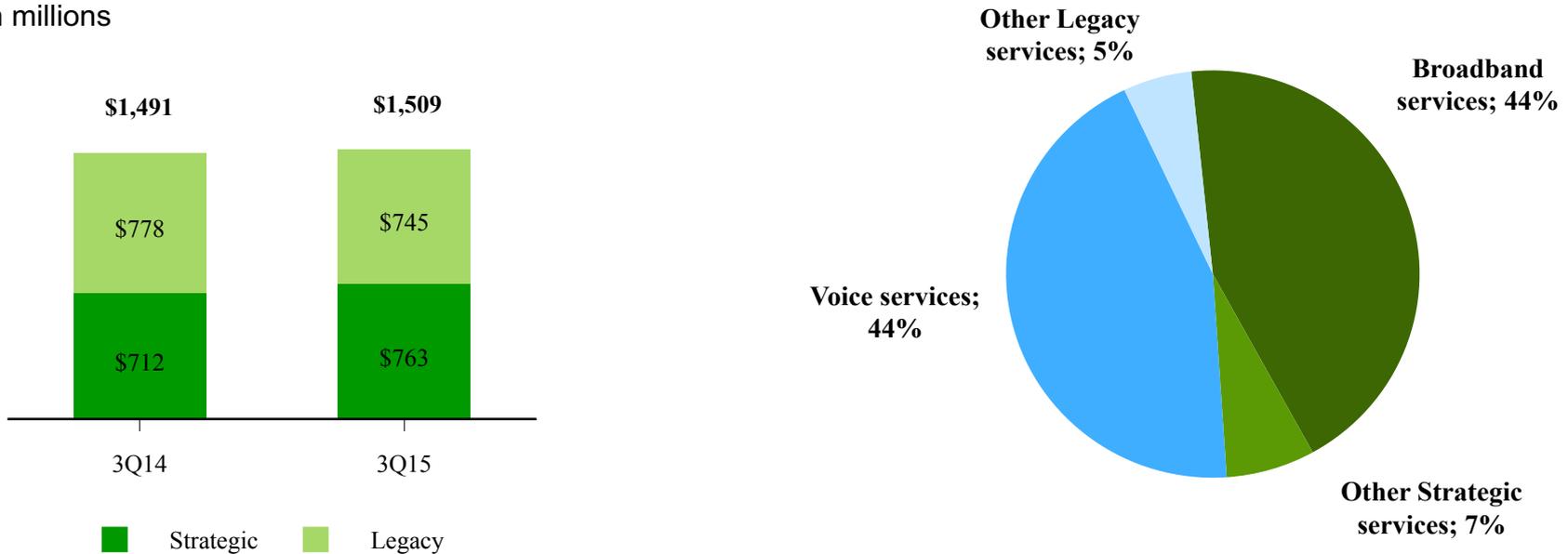
(1) High-bandwidth Data services includes MPLS, Ethernet and Wavelength revenue

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

Consumer

Consumer - Operating Revenue¹

\$ in millions



- Total Y/Y revenue increase of 1.2%
- Strategic revenue increased 7.2% from year-ago period driven by growth of high-speed Internet and Prism™ TV customers and higher ARPU
- Legacy revenue declined 4.2% from 3Q14 due primarily to lower local and LD revenue partially offset by select price increases
- Operating expenses increased from 3Q14 driven by higher Prism™ TV costs

Guidance

4th Quarter 2015⁽¹⁾

Operating Revenue	\$4.40 to \$4.45 billion
Core Revenue	\$3.97 to \$4.02 billion
Operating Cash Flow	\$1.72 to \$1.77 billion
Adjusted Diluted EPS	\$0.62 to \$0.67

Q & A

