

2nd Quarter 2017 Earnings Results

August 2, 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 fund and complete our pending acquisition of Level 3, including the timely receipt of all 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, customers, 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 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 adjusted EBITDA, adjusted 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.

Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are included in the attached financial schedules. Reconciliation of additional non-GAAP historical financial measures that may be discussed during the call described above, along with further descriptions of non-GAAP financial measures, will be available in the Investor Relations portion of the company's website at www.centurylink.com and in the current report on form 8-K that we intend to file later today. Non-GAAP measures are not presented to be replacements or alternatives to the GAAP measures, and investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP. CenturyLink may determine or calculate its non-GAAP measures differently from other companies.

Participants

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Financial & Strategic Overview

Glen Post

Chief Executive Officer & President

2Q17 Highlights & Trends

Strategic services

- Enterprise high-bandwidth data - solid growth in MPLS revenue offset by decline in Ethernet revenue; grew 5% Y/Y on a normalized basis
- IT & Managed services - continued growth in IT Services along with stabilization of managed hosting revenue
- Enterprise other strategic - ~\$100 million Y/Y and Q/Q decline due to Colo Sale
- Consumer broadband - fewer subscribers Y/Y
- Consumer video - impact of satellite video contract restructuring

Core Revenues (\$MM)	2Q17	2Q16	% Chg
Enterprise high-bandwidth data services	\$760	\$753	0.9%
IT & Managed services	162	161	0.6%
Enterprise other strategic (primarily colo & broadband)	225	328	(31.4)%
Consumer broadband	661	682	(3.1)%
Consumer other strategic (primarily video)	107	118	(9.3)%
Total Strategic¹ services	1,915	2,042	(6.2)%
<i>Total Strategic services excluding colocation</i>	<i>1,859</i>	<i>1,885</i>	<i>(1.4)%</i>
Total Legacy¹ services	1,740	1,926	(9.5)%

(1) Beginning second quarter 2017, certain legacy services, specifically dark fiber network leasing, were reclassified from legacy services to strategic services. 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 these changes.

Transaction Update

Acquisition of Level 3 Communications

- Continued good progress in obtaining necessary approvals; received shareholder approval and regulatory approvals/clearances in 23 states or territories, with 2 states remaining
- Integration planning process continues to go well; remain confident with cash synergy target of \$975 million
- Named combined company senior leadership team, effective at close; overall organization design progressing well
- Continue to anticipate closing by end of September 2017

2Q Results & Guidance Overview

David Cole

Executive Vice President Operations Support & Controller

2Q17 Financial Summary

- \$4.1 billion in Total revenue
 - \$3.66 billion Core revenue¹, 7.9% Y/Y decrease from 2Q16
 - \$1.92 billion Strategic revenue², 6.2% Y/Y decrease from 2Q16
 - \$1.74 billion Legacy revenue², a 9.7% Y/Y decrease from 2Q16
- Operating income of \$367 million (reflects ~\$150 million one-time charges on Colocation Sale)
- Adjusted EBITDA³ of \$1.44 billion; 35.3% adjusted EBITDA margin
- \$0.03 Diluted EPS (includes negative net impact of \$0.21 one-time charges on Colocation Sale); \$0.46 Adjusted Diluted EPS³

Impact of ASC 840-40	2Q17 Actual	3Q17 Estimate
(\$ millions)		
Recurring (through 4Q18):		
Increase in revenue	\$ 12	\$ 18
Decrease in cost of sales	3	5
Increase in D&A	(10)	(15)
Increase in interest expense	(8)	(12)
Decrease in income tax expense	1	2
One-time:		
Increase in SG&A (loss on Colo Sale)	(117)	n/a
Increase in D&A	(44)	n/a
Decrease in income tax expense	62	n/a
Decrease in net income	\$ (101)	\$ (2)

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

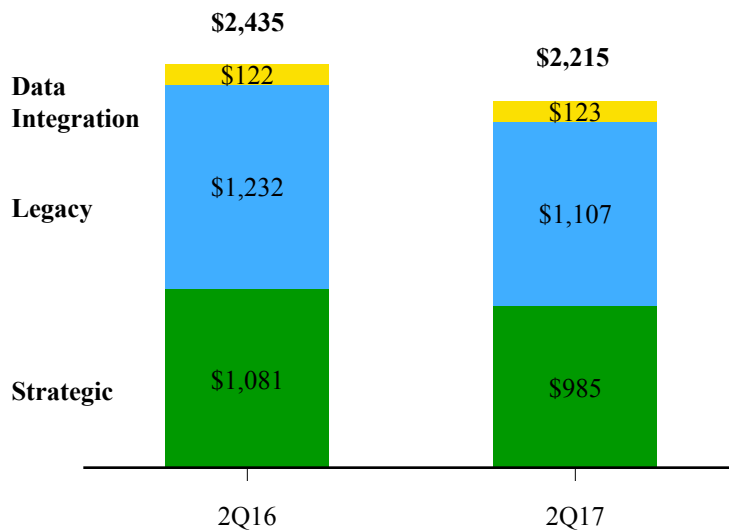
(2) Beginning second quarter 2017, certain legacy services, specifically dark fiber network leasing, were reclassified from legacy services to strategic services. Beginning second quarter 2016, private line (including special access) revenues were reclassified from strategic services to legacy services. All historical periods have been restated to reflect these changes.

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

Enterprise Segment

Enterprise - Operating Revenue

\$ in millions



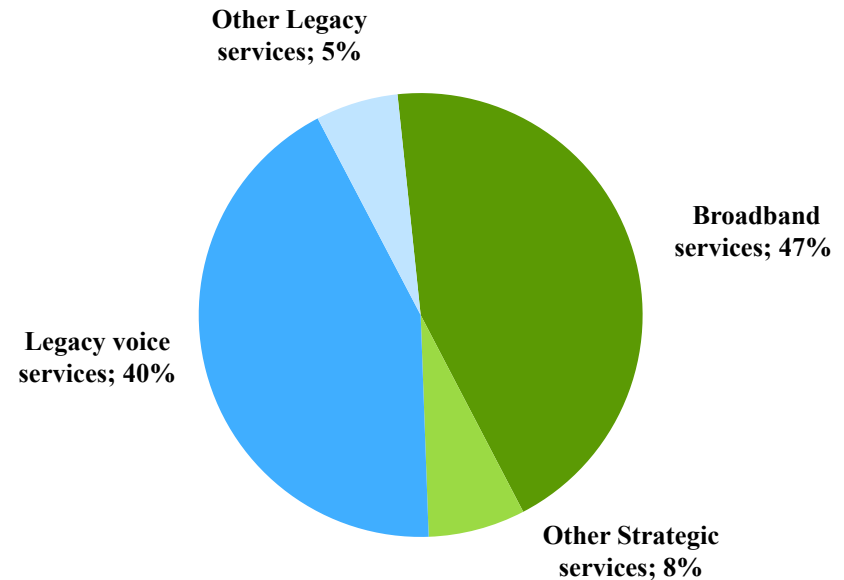
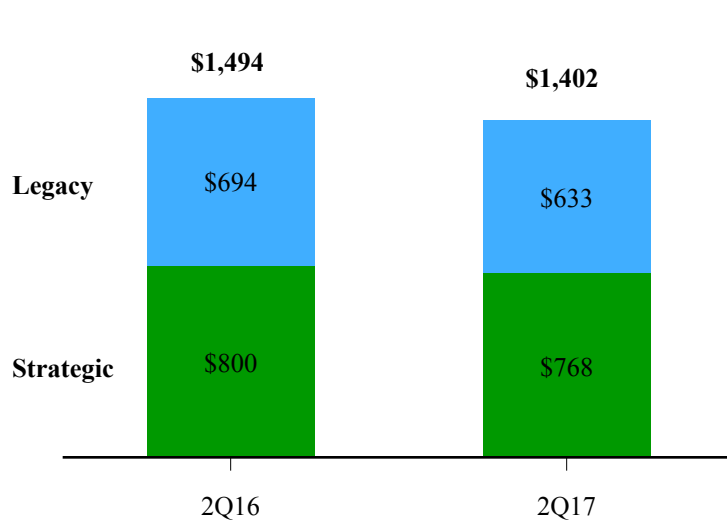
Enterprise Strategic Revenue (\$MM)	2Q17	2Q16	% Chg
High-bandwidth data services	\$760	\$753	0.9%
Other strategic (primarily colocation & broadband)	225	328	(31.4)%
Total Strategic services	\$985	\$1,081	(8.9)%
<i>Total Strategic services excluding colocation</i>	929	924	0.5%

- Total revenue decline of 9.0% Y/Y
 - Strategic revenue decreased \$96 million, or 8.9%, Y/Y - sale of colocation business reduced revenue ~\$100 million in 2Q; high-bandwidth data services revenues grew 1%; Excluding the impacts of colocation sale, contracted repricing in 2Q17 and a favorable settlement in 2Q16, Enterprise strategic revenues grew 4% and high-bandwidth data services revenues increased 5% Y/Y.
 - Legacy revenue declined 10.1% Y/Y - lower voice and low-bandwidth data services revenues
- Operating expenses declined \$87 million, or 6.3%, Y/Y - sale of colocation business reduced operating expenses ~\$60 million; reduction in employee-related expenses

Consumer Segment

Consumer - Operating Revenue

\$ in millions



- Total revenue decline of 6.2% Y/Y
 - Strategic revenue decreased 4.0% Y/Y - impact of satellite contract restructuring in 1Q and lower broadband units
 - Legacy revenue declined 8.8% Y/Y - lower access lines
- Operating expenses declined \$47 million, or 7.4%, Y/Y - lower employee-related expenses

Guidance

3rd Quarter 2017 ⁽¹⁾	
Operating Revenues	\$4.06 to \$4.12 billion
Core Revenues	\$3.59 to \$3.65 billion
Adjusted EBITDA	\$1.43 to \$1.49 billion
Adjusted Diluted EPS	\$0.44 to \$0.50

Q&A