

1st Quarter 2017 Earnings Results

May 3, 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 complete our pending acquisition of Level 3, including the timely receipt of all requisite financing and 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, 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 terrorism, 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 operating cash flow, 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

Glen Post

Chief Executive Officer & President

Stewart Ewing

Executive Vice President & Chief Financial Officer

Dean Douglas

President, Enterprise Markets

Maxine Moreau

President, Consumer Markets

Financial & Strategic Overview

Glen Post

Chief Executive Officer & President

1Q17 Highlights & Trends

Strategic services

- Enterprise high-bandwidth data - improved revenue growth trend; grew 6.5% Y/Y on a normalized basis
- IT & Managed services - growth in IT Services offset by decline in managed services
- Consumer broadband - continued Q/Q improvement in subscriber trend; revenue declined due to fewer subscribers Y/Y
- Consumer video - Prism TV revenue growth offset by impact of satellite video contract change

Core Revenues (\$MM)	1Q17	1Q16	% Chg
Enterprise high-bandwidth data services	\$769	\$738	4.2%
IT & Managed services	152	162	(6.2)%
Enterprise other strategic (primarily colo & broadband)	315	315	--
Consumer broadband	661	667	(0.9)%
Consumer other strategic (primarily video)	103	107	(3.6)%
Total Strategic	2,000	1,989	0.6%
Legacy services	1,803	1,988	(9.3)%

Transaction Updates

- Completed sale of data centers and colocation business on May 1, 2017
 - Retained managed hosting and cloud assets; continue to offer colocation services through strategic relationship with Cyxtera
 - Expect to use after-tax net cash proceeds of ~\$1.75 billion to partly fund Level 3 acquisition
- Acquisition of Level 3 Communications
 - Good progress in obtaining necessary approvals; received shareholder approval and regulatory approvals/clearances in a number of states
 - Integration planning process going well; remain confident with synergy targets
 - Named combined company senior leadership team, effective at close
 - Continue to expect to close by end of September 2017

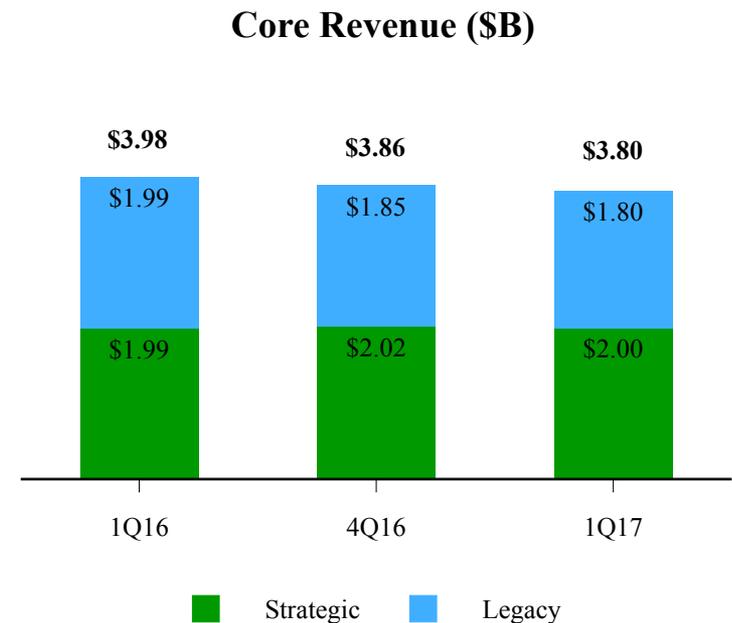
1Q Results & Guidance Overview

Stewart Ewing

Executive Vice President & Chief Financial Officer

1Q17 Financial Summary

- \$4.21 billion in Total revenue
 - \$3.80 billion Core revenue¹, 4.4% Y/Y decrease from 1Q16
 - \$2.00 billion Strategic revenue², 0.6% Y/Y increase from 1Q16
 - \$1.80 billion Legacy revenue², a 9.3% Y/Y decrease from 1Q16
- Operating income of \$631 million; operating cash flow³ of \$1.53 billion; free cash flow³ of \$492 million
- \$0.30 Diluted EPS; \$0.52 Adjusted Diluted EPS³



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

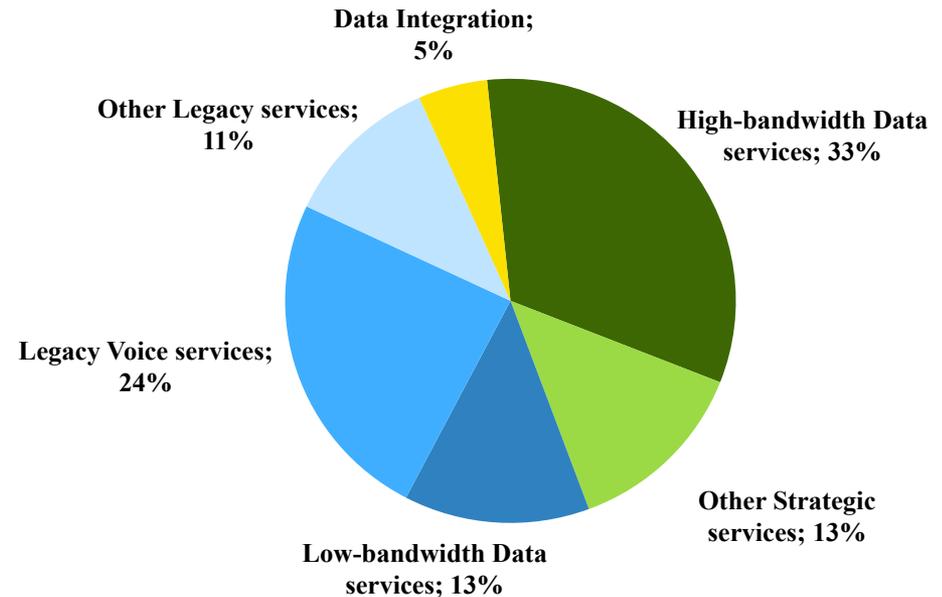
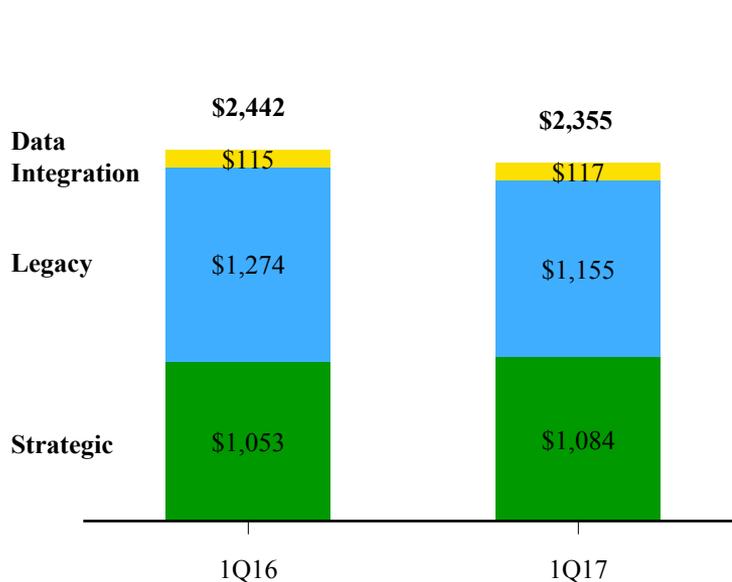
(2) Beginning second quarter 2016, private line (including special access) revenues were reclassified from strategic services to legacy services. All historical periods have been restated to reflect this change

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

Enterprise Segment

Enterprise - Operating Revenue

\$ in millions



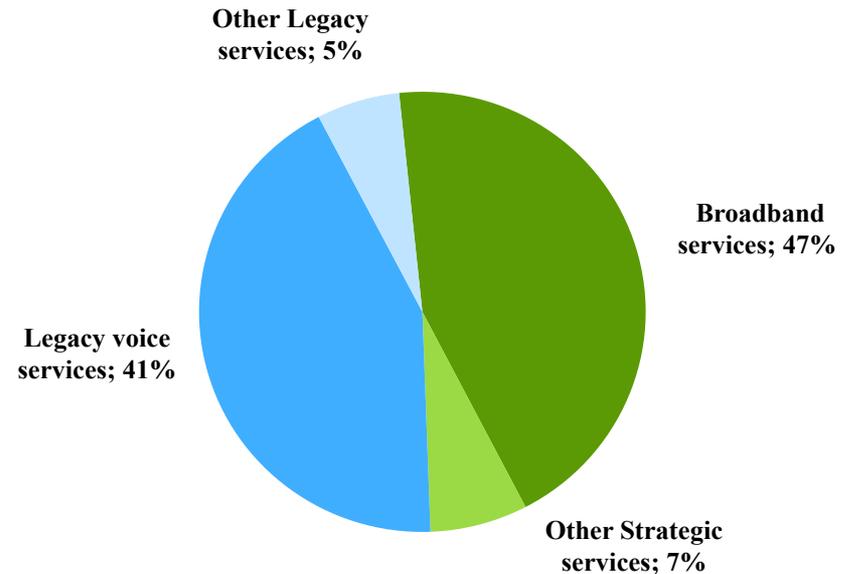
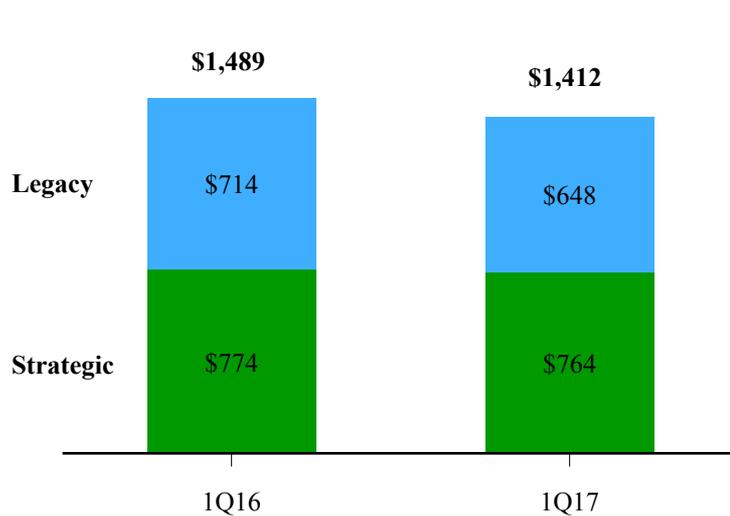
- Total revenue decline of 3.5% Y/Y
 - Strategic revenue increased 2.9% Y/Y - growth in high-bandwidth data services
 - Legacy revenue declined 9.3% Y/Y - lower voice and low-bandwidth data services revenues
 - Data integration revenue increased \$2 million, or 1.7%, Y/Y
- Operating expenses were flat Y/Y

(1) Enterprise segment (formerly Business segment) excludes IT and Managed Services revenue effective 1Q17. See 1Q17 earnings release for additional detail.

Consumer Segment

Consumer - Operating Revenue

\$ in millions



- Total revenue decline of 5.2% Y/Y
 - Strategic revenue decreased 1.3% Y/Y - growth in Prism™ TV revenues offset by impact of satellite contract change and lower broadband units
 - Legacy revenue declined 9.2% Y/Y - lower access lines
- Operating expenses were flat Y/Y

Guidance

2nd Quarter 2017 ⁽¹⁾	
Operating Revenue	\$4.07 to \$4.13 billion
Core Revenue	\$3.66 to \$3.72 billion
Operating Cash Flow	\$1.40 to \$1.46 billion
Adjusted Diluted EPS	\$0.46 to \$0.52

Q&A