



**Citi Global  
Entertainment,  
Media &  
Telecommunications  
Conference**

**Glen Post  
Chairman & CEO**

**January 6, 2009**

# Forward Looking Statements

Except for the historical and factual information contained herein, the matters set forth in this document, including statements as to the expected benefits of the acquisition such as efficiencies, cost savings, enhanced revenues, growth potential, market profile and financial strength, and the competitive ability and position of the combined company, and other statements identified by words such as "estimates," "expects," "projects," "plans," and similar expressions are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including receipt of required approvals by CenturyTel and EMBARQ stockholders and regulatory agencies, the possibility that the anticipated benefits from the acquisition cannot be fully realized or may take longer to realize than expected, the possibility that costs or difficulties related to the integration of EMBARQ operations into CenturyTel will be greater than expected, the ability of the combined company to retain and hire key personnel, the impact of regulatory, competitive and technological changes and other risk factors relating to our industry as detailed from time to time in each of CenturyTel's and EMBARQ's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance regarding the timing of the consummation of the merger or that the proposed acquisition will in fact be consummated. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this document. Unless legally required, CenturyTel and EMBARQ undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

# **Non-GAAP Financial Measures**

**Also, included in our presentation materials are certain non-GAAP financial measures. These measures are provided and valid as of January 6, 2009, only and should not be relied upon beyond such date. Reconciliation of such non-GAAP measures to the most directly comparable GAAP measure or measures are available on our company Web site at [www.centurytel.com](http://www.centurytel.com).**



# Additional Information

In connection with the proposed merger, CenturyTel has filed, and the Securities and Exchange Commission (SEC) has declared effective, a Registration Statement on Form S-4 that includes a joint proxy statement of CenturyTel and EMBARQ that also constitutes a prospectus of CenturyTel. CenturyTel and EMBARQ began mailing the definitive joint proxy statement/prospectus to their respective shareholders on December 22, 2008. **INVESTORS ARE URGED TO READ THE DEFINITIVE JOINT PROXY STATEMENT-PROSPECTUS BECAUSE IT CONTAINS IMPORTANT INFORMATION.** You may obtain the joint proxy statement-prospectus, as well as other filings containing information about CenturyTel and EMBARQ, free of charge, at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). Copies of the joint proxy statement-prospectus and the filings with the SEC that are incorporated by reference in the joint proxy statement-prospectus may also be obtained, free of charge, by directing a request to CenturyTel, 100 CenturyTel Drive, Monroe, Louisiana, 71203 Attention: Corporate Secretary, or to EMBARQ, 5454 West 110th Street, Overland Park, KS, 66211, Attention: Shareholder Relations.

The respective directors and executive officers of CenturyTel and EMBARQ and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyTel's directors and executive officers is available in its proxy statement filed with the SEC by CenturyTel on March 27, 2008, and information regarding EMBARQ directors and executive officers is available in its proxy statement filed with the SEC by EMBARQ on March 17, 2008. These documents can be obtained free of charge from the sources indicated above. Other information regarding the interests of the participants in the proxy solicitation are included in the joint proxy statement-prospectus and other relevant materials filed with the SEC.

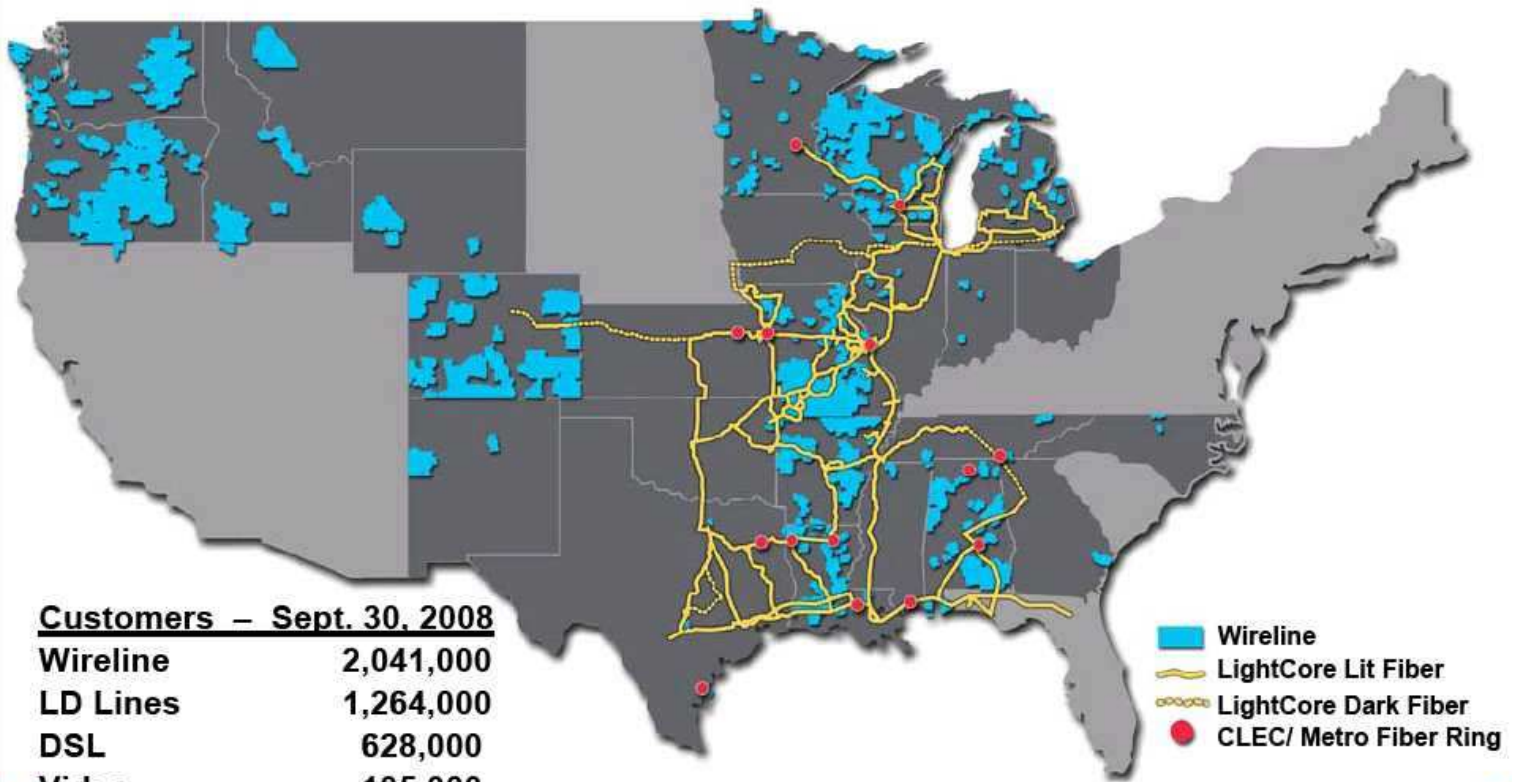
This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

# CenturyTel Today –



- ◆ **Delivering Communications Solutions to Rural Areas and Small to Mid-Size Cities**
- ◆ **Transitioning Our Company Into a Premier Broadband Communications Provider**
- ◆ **Committed to Being the Broadband Leader in Our Markets**

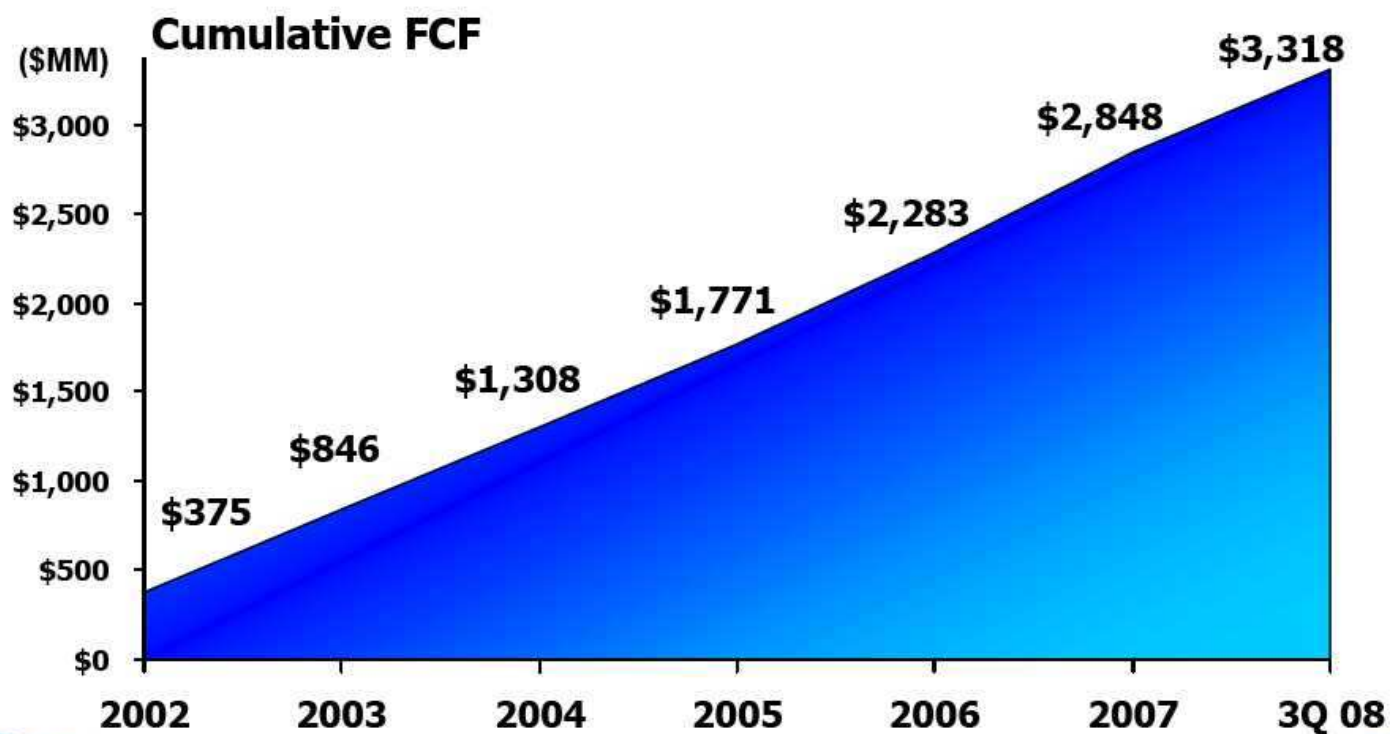
# ONE Network



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# Cash Flow Generation

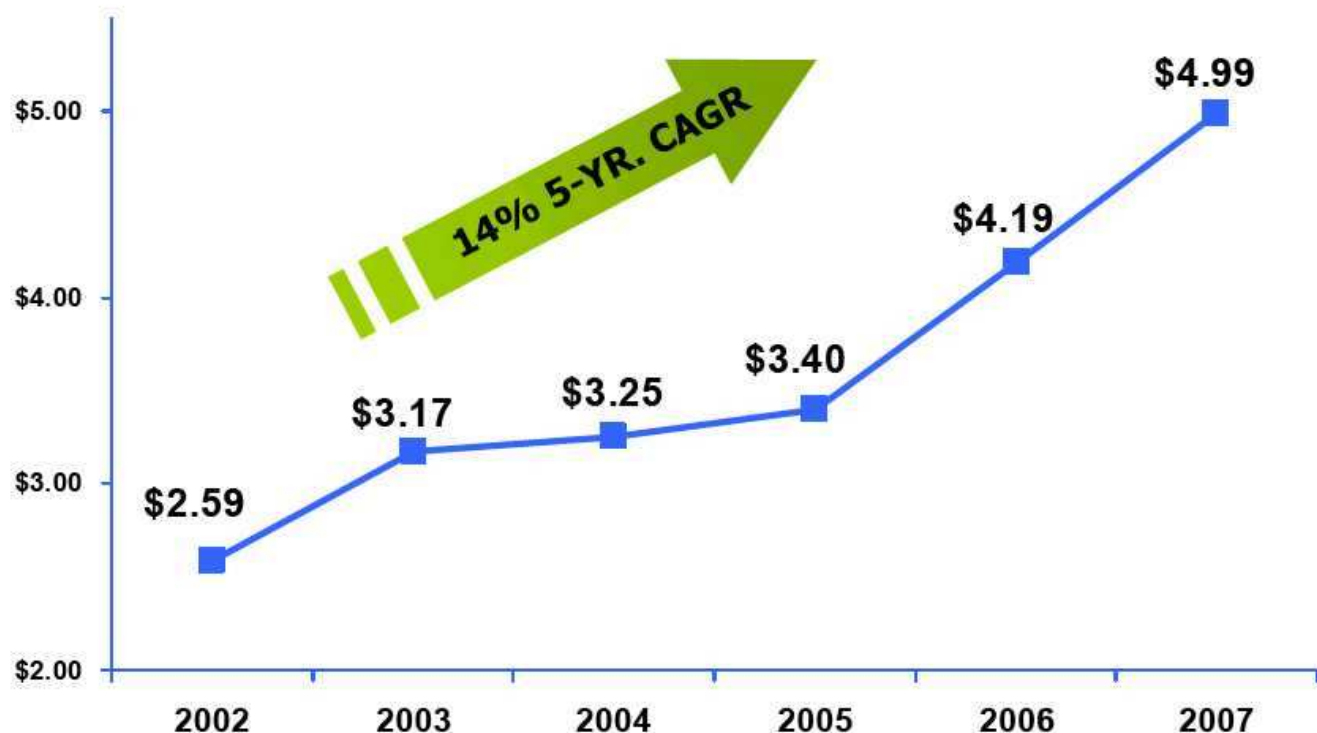
Excludes Non-Recurring Items



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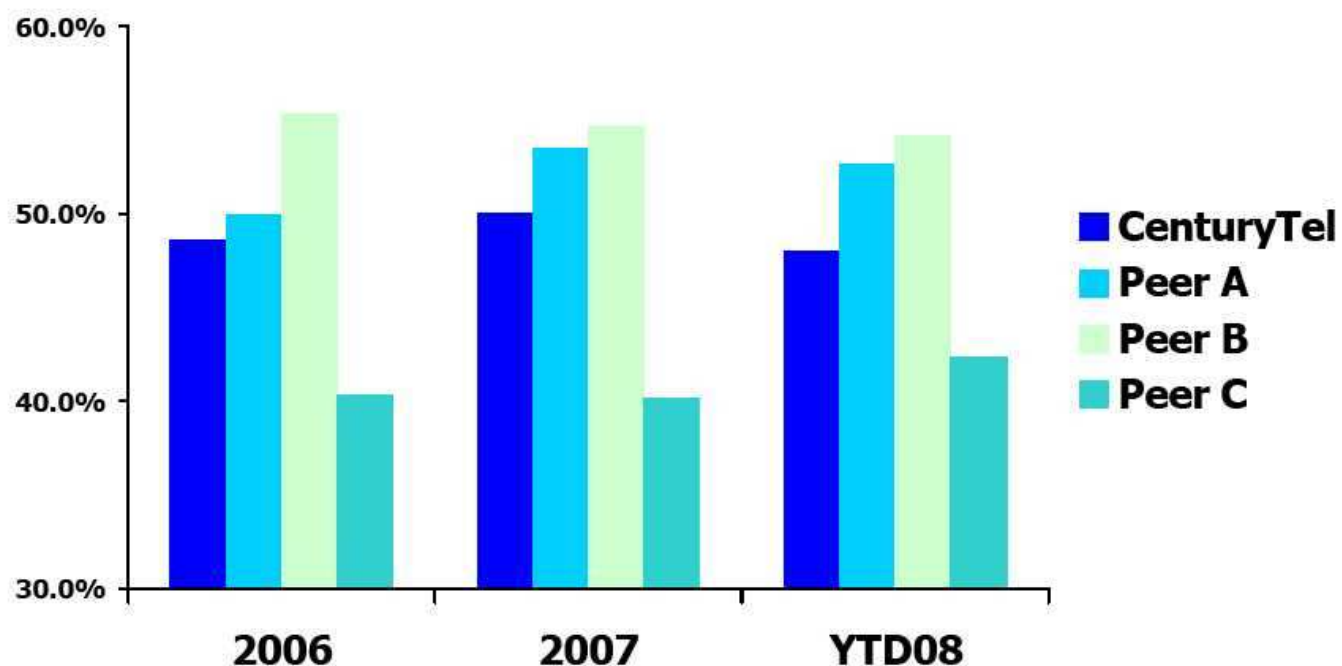


# Free Cash Flow Per Share



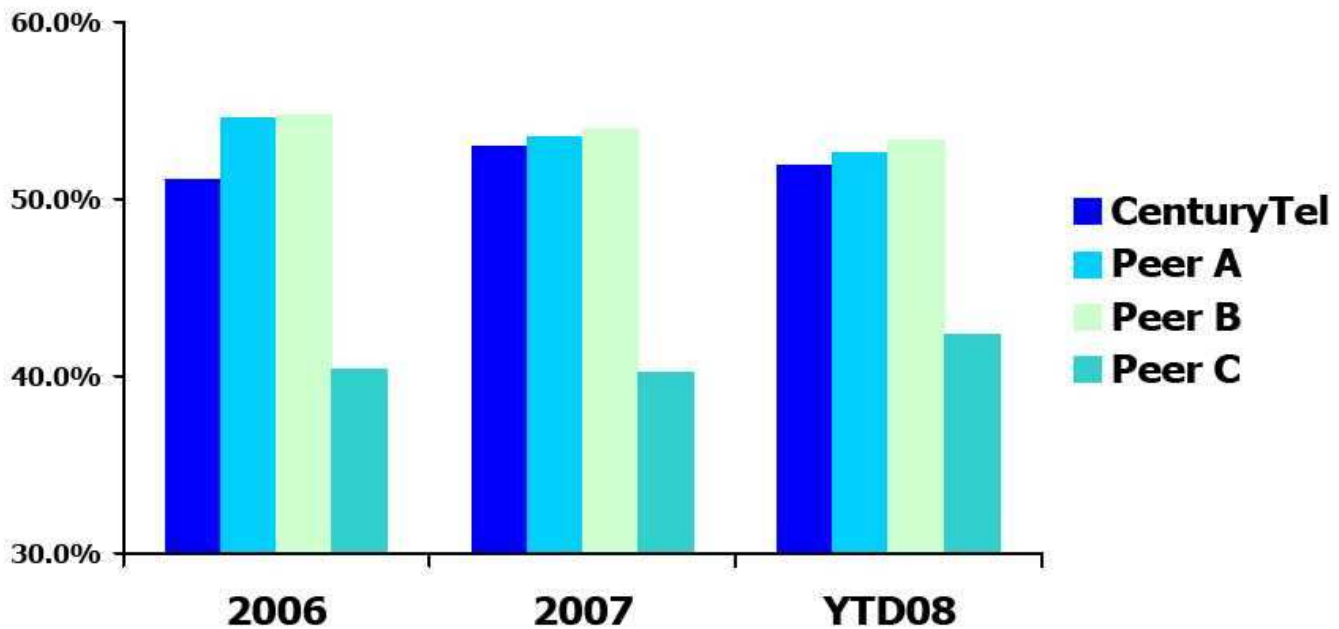


# OCF Margins – As Reported



Source: Analysis of public reports and transcripts of the peer companies

# OCF Margins – Adjusted to Eliminate SFAS 71



Source: Analysis of public reports and transcripts of the peer companies

NOTE: Respective peer results adjusted for a one-time royalty payment and to reflect bad debt as an expense instead of a contra-revenue.



## Strategic Focus

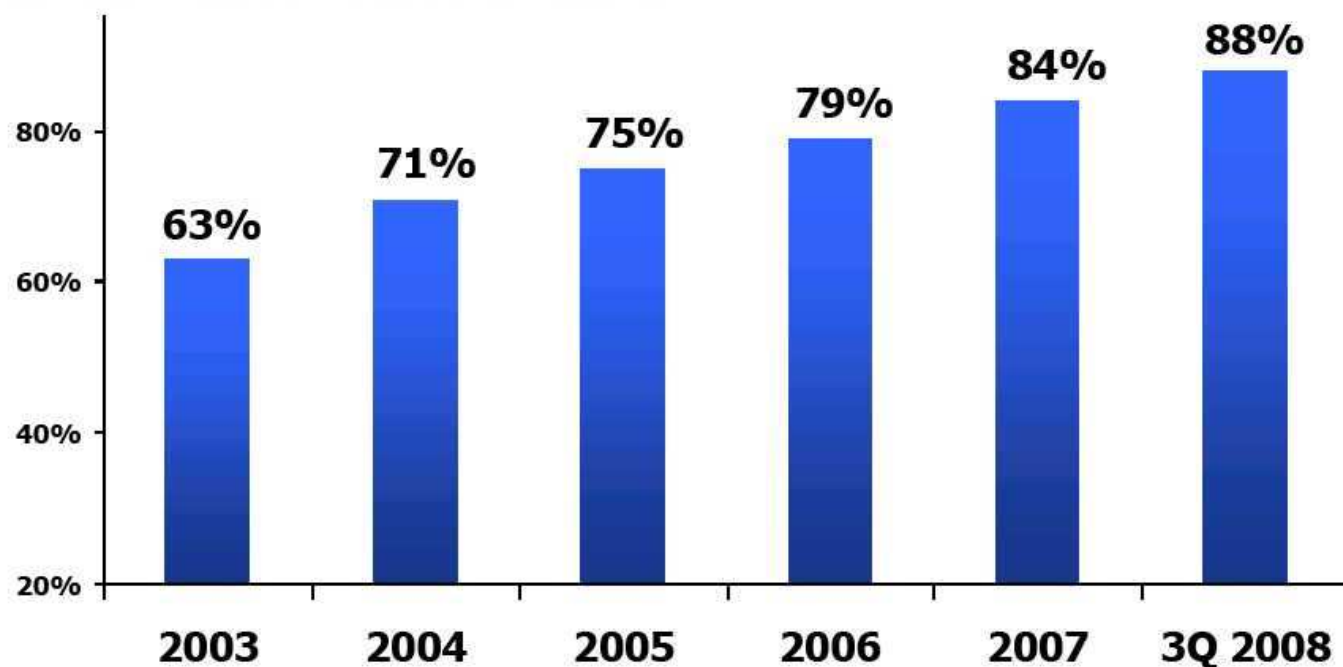
# Strategic Focus

- ◆ **Own the Broadband Position in our Markets**
- ◆ **Intensify Customer / Revenue Retention Efforts**
- ◆ **Invest in and Develop New Products**
- ◆ **Pursue Strategic Acquisitions and Closely Related Businesses**



# Broadband Deployment

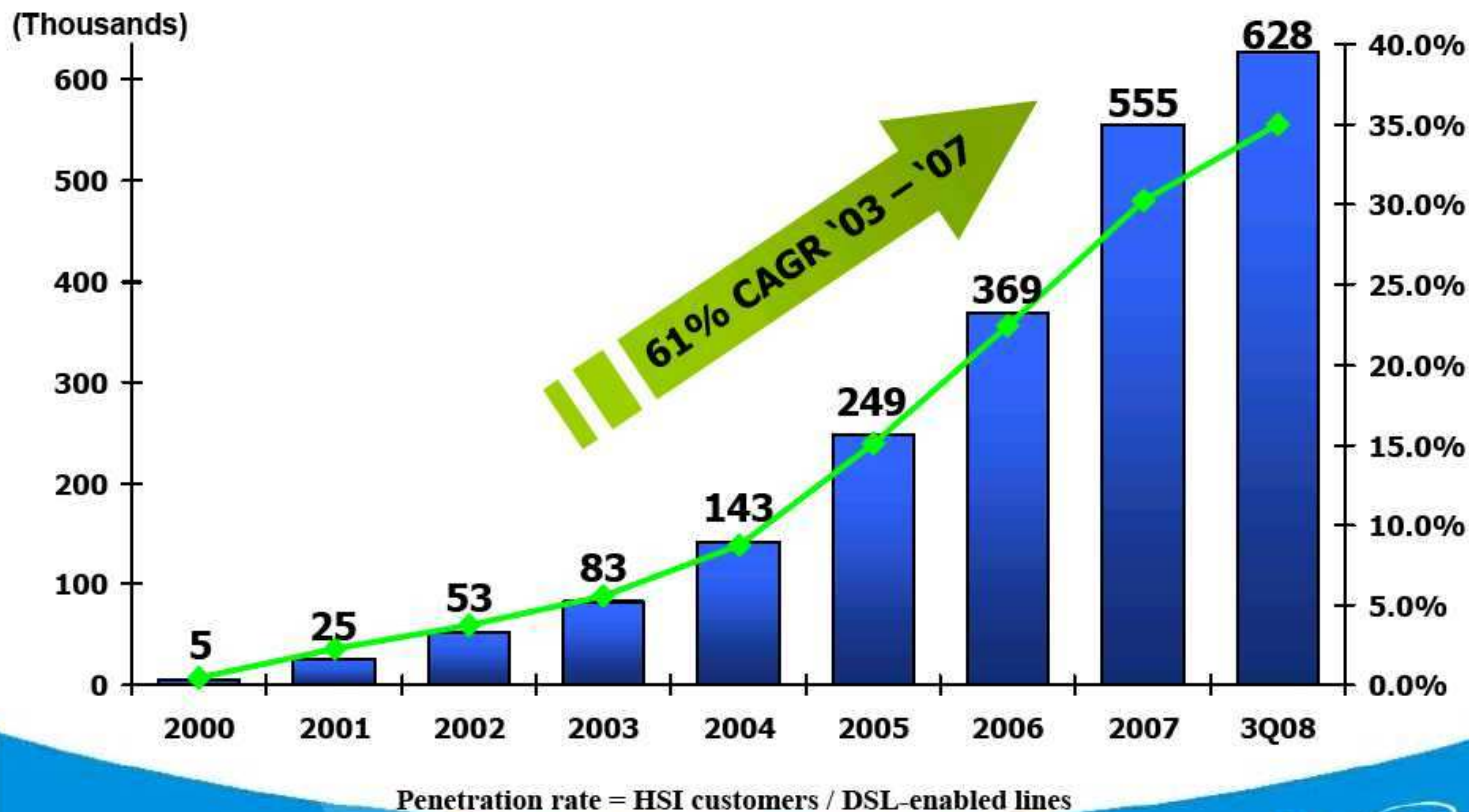
## % of Total Access Lines



Up-to-10Mb = 57% of Enabled Lines

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# High-Speed Internet Customers & Penetration Rates



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# Customer & Revenue Retention

- ◆ **Expanded Distribution and Enhanced Local Market Presence**
  - ◆ **Multi-Dwelling Unit Sales Team**
  - ◆ **Door-to-Door**
  - ◆ **Refined Save Team Approach**
  - ◆ **Upgrading Bill Payment Centers to Full Customer Experience Centers**

# New Experience Centers





# 700 MHz Auction

- ✦ **Acquired 69 Licenses Covering 53% of CTL's Local Exchange Areas**
- ✦ **Overlaps Approximately 4,500 Miles of CenturyTel's Fiber Transport Network**
- ✦ **Total Investment of \$149 Million**
- ✦ **Average Price of \$.70 Per Megahertz Pop vs. \$1.92 National Average for Blocks A&B**

# 700 MHz Strategy

- ✦ **Future Will Be Driven by Broadband, Both Fixed and Wireless**
- ✦ **Enables a Wireless Broadband Option**
- ✦ **Not a “Me Too” Wireless Product**
- ✦ **Leverage Our Local and Long-Haul Network Infrastructure**
- ✦ **Expect Opportunities to Trade for Spectrum in Other Strategic Markets**



## EMBARQ Acquisition

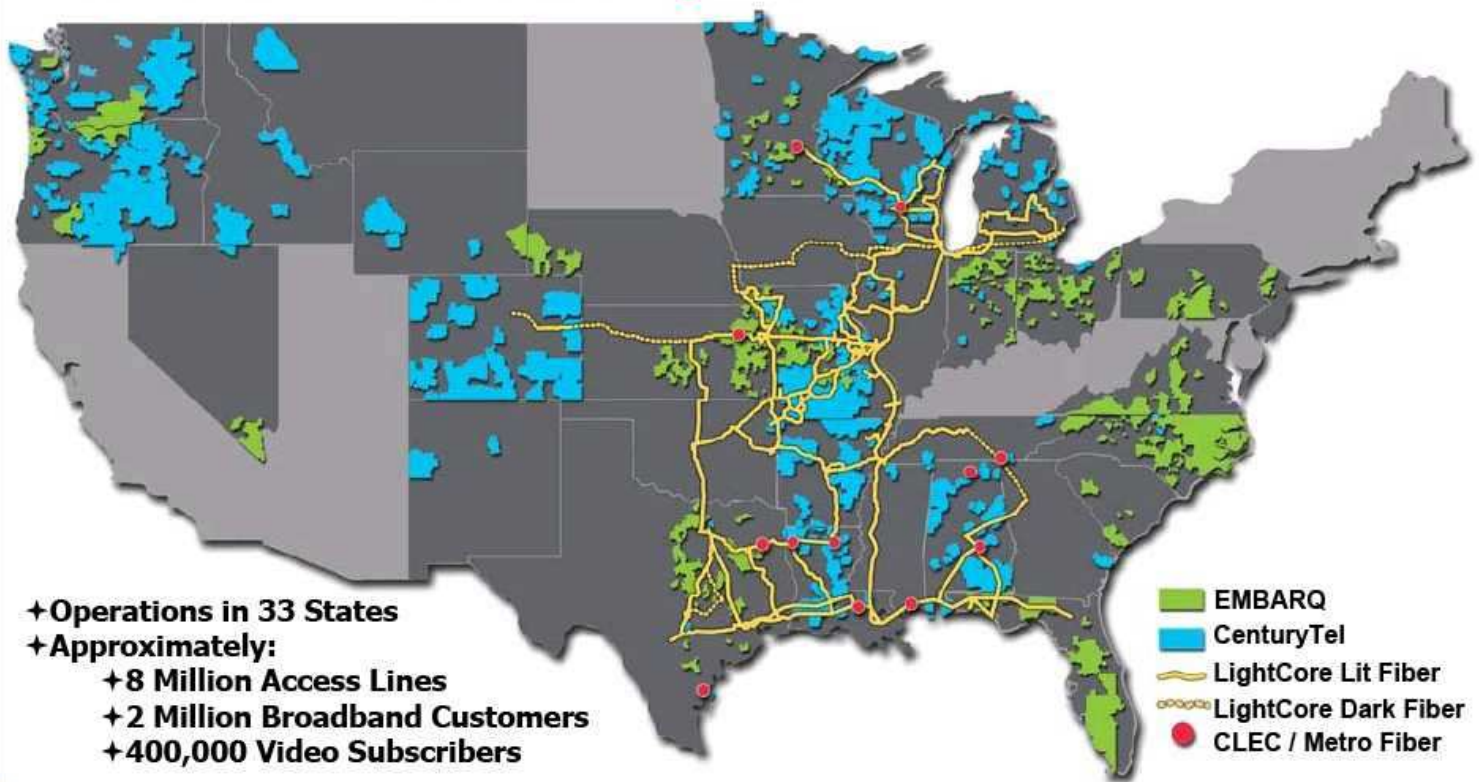
# Transaction Summary

<b>Transaction Structure:</b>	<b>All stock combination</b>
<b>Exchange Ratio:</b>	<b>1.37 shares of CenturyTel stock per share of EMBARQ stock</b>
<b>Pro Forma Ownership:</b>	<b>34% CenturyTel shareholders / 66% EMBARQ shareholders</b>
<b>Transaction Value:</b>	<b>\$11.6 billion, including net debt of \$5.8 billion as of 09/30/08</b>
<b>Estimated Synergies:</b>	<b>Approximately \$400 million of annual run rate synergies</b>
<b>Estimated Transaction Multiples:</b>	<b>4.5x / 3.9x LTM EBITDA (before / after run rate synergies) 6.0x / 4.7x LTM Free Cash Flow (before / after run rate synergies)</b>
<b>Financing:</b>	<b>\$800 million of committed financing to refinance EMBARQ bank debt facilities and for general corporate purposes</b>
<b>Pro Forma Leverage:</b>	<b>2.1x (incl. run rate synergies) / 2.3x (excluding synergies)</b>
<b>Dividend Policy:</b>	<b>Annual dividend of \$2.80 per share, approximately 50% pay-out ratio</b>
<b>Closing Conditions:</b>	<b>HSR, FCC, Certain State Regulatory Approvals and CenturyTel and EMBARQ shareholder approvals and other customary conditions</b>



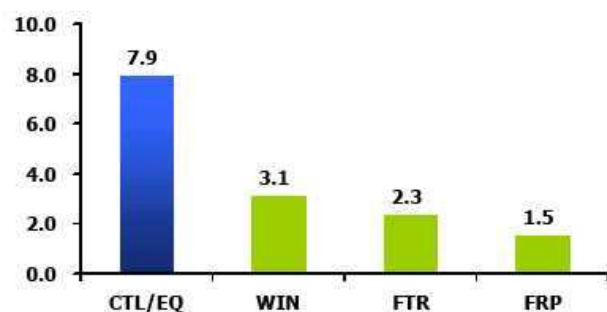


# Combined Footprint

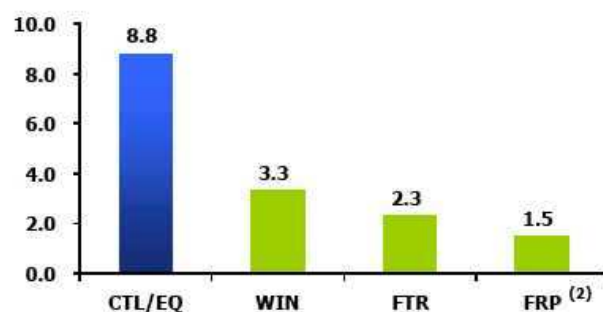


# Premier Communications Company

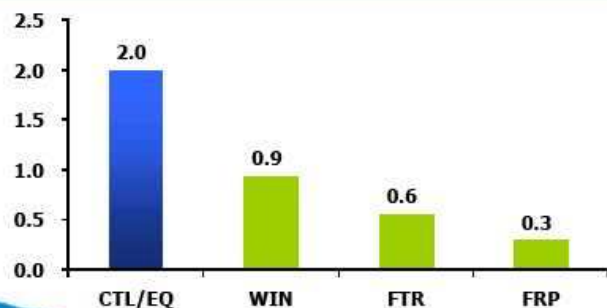
Access Lines (millions) <sup>(1)</sup>



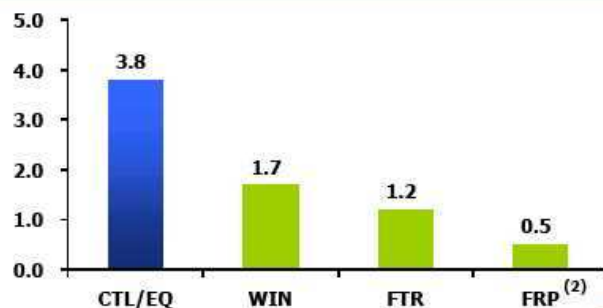
LTM Revenue (\$ billions) <sup>(1)</sup>



Broadband Customers (millions) <sup>(1)</sup>



LTM EBITDA (\$ billions) <sup>(1)</sup>



1. Data as of September 30, 2008 for CenturyTel and EMBARQ and June 30, 2008 for WIN, FTR and FRP  
2. FairPoint statistics pro forma for VZ Northern New England transaction



# Transaction Progress Update

- ♦ **Hart-Scott-Rodino Filing Made and Early Termination Granted in November**
- ♦ **Application for Consent for Transfer of Control (Form 214) Filed With the Federal Communications Commission in Late November**
- ♦ **14 State Applications Filed by Early December**
- ♦ **Post-Closing Senior Management Team Determined by Late December**
- ♦ **Proxy Finalized and Special Meetings of Shareholders Scheduled for January 27<sup>th</sup>**
- ♦ **Continue to Expect Closing to Occur in Second Quarter 2009**



# Great Strategic Combination

- ◆ **Significantly Enhances Financial And Operational Scale**
  - ◆ ~ 8 Million Access Lines And 2 Million Broadband Customers
  - ◆ \$8.8 Billion Of Revenue And \$4.2 Billion Of EBITDA \*
- ◆ **Provides Financial Flexibility And Foundation To Drive Shareholder Value**
  - ◆ Significant Synergies
  - ◆ Accretive In The First Full Year Post-closing
  - ◆ Expectation Of Returning Substantial Capital To Shareholders
  - ◆ Sound Capital Structure And Strong Cash Flow

\* Based on anticipated full run-rate synergies and operating results for the twelve months ended 9/30/08.





# **Great Strategic Combination** (cont'd)

- ◆ **Combined Company Well Positioned Strategically And Competitively**
  - ◆ **Diversification Of Markets And Revenue**
  - ◆ **Leverage Of Core, High-quality Network Resources**
  - ◆ **Improvement Of Customer Service And Marketing Flexibility Through Integrated Systems**
  - ◆ **Enhancement Of Competitive Position Through Greater Scale And Resources**







**CenturyTel:  
Building on Its  
Long, Successful  
Track Record**

## Fifteen Years of Growth

(\$ in Millions)

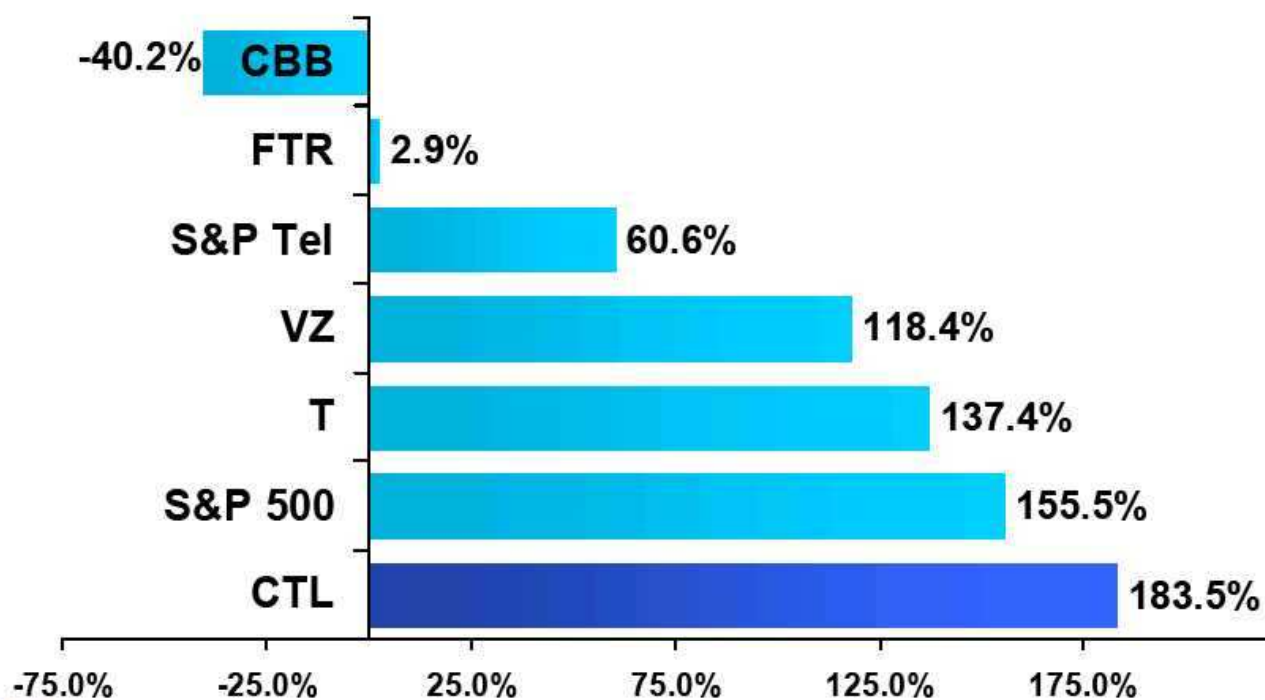
<u>Twelve Months Ending Dec. 31,</u>	<u>2007</u>	<u>1992</u>	<u>15 –Yr. CAGR %</u>
Revenue	\$2,606.1	\$396.6	13.9%
Operating Cash Flow	\$1,291.6	\$182.2	13.9%
Operating Income	\$755.3	\$118.0	13.2%
Net Income	\$354.3	\$61.5	12.4%
Free Cash Flow	\$564.5	(\$13.5)	nm
EPS	\$3.16	\$0.55	12.4%

Excluding nonrecurring items, as adjusted for goodwill amortization

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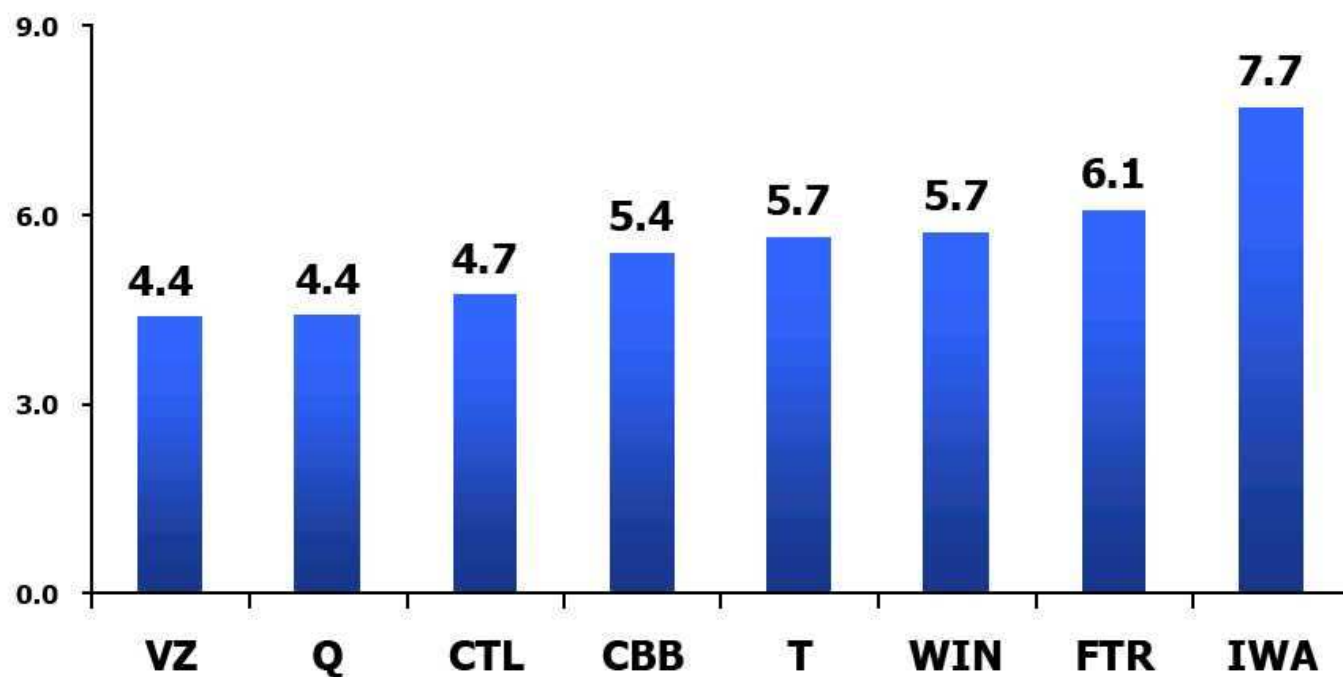
# 15 Year Total Return

Source: Bloomberg as of December 31, 2008



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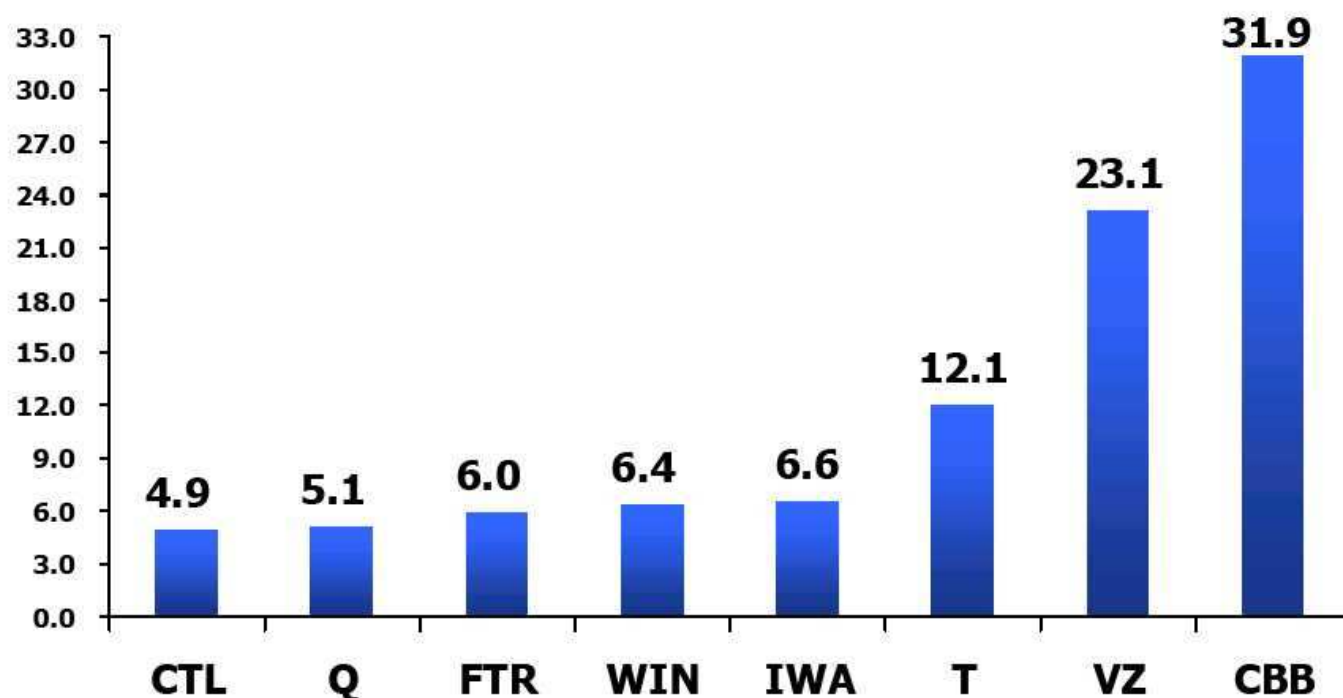
# EV/2008 EBITDA – CTL vs. Peers



Source: FirstCall as of January 2, 2009

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# 2008 FCF Multiple – CTL vs. Peers



Sources: January 2, 2009 Market Capitalization from Thomson Reuters and  
Various Sellside Analysts FCF Estimates

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# CenturyTel is Well Positioned

- ◆ **High-Quality, Broadband Networks Capable of Meeting Growing Bandwidth Demand and Delivering Emerging Services**
- ◆ **Quality OSS and Dedicated, Knowledgeable Employees Enable High-Quality Customer Experience**
- ◆ **Strong Cash Flows and a Solid Balance Sheet Provide Financial Flexibility to Invest In and Acquire Strategic Assets**

# **CenturyTel is Well Positioned** (cont'd)

- ◆ **Poised to Participate in High-Demand, Broadband Services – Video, Home Networking, Content, Advertising, Etc.**
- ◆ **Anticipated EMBARQ Acquisition Provides Unique Synergistic Opportunities to Drive Long-Term Shareholder Value**
- ◆ **History of Consistently Executing Business Plans, Adapting to Industry Changes and Driving Shareholder Value**

The CenturyTel logo is positioned in the upper right corner of the page. It features the word "CENTURYTEL" in a white, sans-serif, all-caps font. A white swoosh underline is positioned beneath the letters "Y", "R", "Y", and "T", starting under the "Y" and ending under the "T".

**CENTURYTEL**

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