

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported):

April 22, 2010

**CenturyTel, Inc.**

(Exact Name of Registrant as Specified in Charter)

**Louisiana**  
(State or Other Jurisdiction  
of Incorporation)

**1-7784**  
(Commission File Number)

**72-0651161**  
(IRS Employer  
Identification Number)

**100 CenturyLink Drive Monroe, Louisiana**

**71203**

(Address of Principal Executive Offices)

(Zip Code)

**Registrant's telephone number, including area code**

**(318) 388-9000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 8.01 Other Events**

On April 22, 2010, CenturyTel, Inc. (“CenturyLink”) and Qwest Communications International Inc. (“Qwest”) issued a joint press release announcing the execution of an Agreement and Plan of Merger, dated as of April 21, 2010 (the “Merger Agreement”), among CenturyLink, Qwest and SB44 Acquisition Company (“Merger Subsidiary”). Subject to the terms and conditions set forth therein, Merger Subsidiary will merge with and into Qwest, with Qwest surviving as a wholly owned subsidiary of CenturyLink (the “Merger”). CenturyLink and Qwest also made a joint investor presentation principally concerning the Merger. A copy of the joint press release and the joint investor presentation is attached hereto as Exhibits 99.1 and 99.2, respectively. In addition, a transcript of the joint investors presentation is attached hereto as Exhibit 99.3.

On April 22, 2010, CenturyLink distributed to its employees a letter regarding the execution of the Merger Agreement and the Merger and a separate document containing additional information about the Merger, each of which are attached hereto as Exhibit 99.4 and Exhibit 99.5, respectively. CenturyLink and Qwest also posted additional materials on a website relating to the Merger, which are attached hereto as Exhibit 99.6. In addition, CenturyLink made a presentation to its employees regarding the Merger, which is attached hereto as Exhibit 99.7.

The exhibits attached hereto are incorporated herein by reference and each of the foregoing description of such materials is qualified in its entirety by reference to such materials.

The information required by Item 1.01, including a copy of the Merger Agreement will be filed in a separate Current Report on Form 8-K.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Document Designation</u>
99.1	Joint Press Release, dated April 22, 2010.
99.2	Joint Investor Presentation Materials, dated April 22, 2010.
99.3	Transcript of Joint Investor Presentation, dated April 22, 2010.
99.4	Employee Letter, dated April 22, 2010.
99.5	Summary Key Messages.
99.6	Materials from website.
99.7	Employee Presentation, dated April 22, 2010.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 22, 2010

CENTURYTEL, INC.

By: /s/ Neil A. Sweasy  
Name: Neil A. Sweasy  
Title: Vice President and Controller

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## EXHIBIT INDEX

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99.5	Summary Key Messages.
99.6	Materials from website.
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**For Immediate Release: 04/22/2010**

**Contacts:**

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Analysts and Investors**

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Analysts and Investors**

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**CENTURYLINK AND QWEST AGREE TO MERGE**

**CenturyLink to Become National, Industry-Leading Communications Company with Pro Forma  
2009 Revenues of \$19.8 Billion**

**Combined Company to Have Extensive Broadband Capabilities with 173,000-mile Fiber Network**

**Compelling Choice for Consumer, Business and Wholesale Customers Offering Full Array of  
Communications Services**

**Transaction Expected to be Accretive to Free Cash Flow per Share, Excluding Integration Costs,  
Immediately Following Close of the Transaction**

**MONROE, La. and DENVER, Co. – April 22, 2010** – CenturyLink (CenturyTel, Inc., NYSE: CTL) and Qwest Communications (NYSE: Q) announced today that their boards of directors have approved a definitive agreement under which CenturyLink will acquire Qwest in a tax-free, stock-for-stock transaction. Under the terms of the agreement, Qwest shareholders will receive 0.1664 CenturyLink shares for each share of Qwest common stock they own at closing. Upon closing of the transaction, CenturyLink shareholders are expected to own approximately 50.5 percent and Qwest shareholders are expected to own approximately 49.5 percent of the combined company.

Based on the closing stock price of CenturyLink on April 21, 2010, the per share consideration to be received by Qwest shareholders would be equivalent to \$6.02 of CenturyLink stock, which represents a premium to Qwest shareholders of approximately 15 percent over Qwest's closing stock price on April 21, 2010. Based on the closing stock price of CenturyLink on April 21, 2010, the transaction reflects an enterprise value of Qwest of approximately \$22.4 billion, including the assumption of \$11.8 billion of Qwest net debt outstanding as of December 31, 2009.

The parties expect the transaction to be accretive to CenturyLink's free cash flow per share, excluding integration costs, immediately following the close of the transaction. Leveraging CenturyLink's proven integration experience, the transaction is expected to generate annual operating and capital synergies of approximately \$625 million when fully recognized over a three- to five-year period following the close of the transaction.

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This combination will result in a company whose enterprise business will be a significant contributor to its growth which, along with the consumer business, will allow it to offer innovative broadband products and services over its advanced networks. As of December 31, 2009, CenturyLink and Qwest served local markets in 37 states with approximately 5 million broadband customers, 17 million access lines, 1,415,000 video subscribers and 850,000 wireless consumers.

Glen F. Post III, CenturyLink's chief executive officer and president, said, "We believe the combination of CenturyLink's and Qwest's employees, assets and service areas will provide us greater scale, scope and expertise and will provide significant benefits for shareholders, customers and our communities. This combination will enhance our ability to deploy innovative IP products and high-bandwidth services to business customers, expand broadband availability and speed to consumers, and offer superior, differentiated video products.

"The combined company's highly recognized national network will significantly expand our ability to deliver strategic and customized product and service solutions to our business, wholesale and government customers throughout the country. In addition, we will still maintain the focus on our local markets through our effective regional operating model and targeted marketing strategies. We believe shareholders will benefit through their investment in a company that has greater financial resources and flexibility, including a more diversified revenue base and an enhanced competitive position."

Edward A. Mueller, Qwest's chairman and chief executive officer, said, "Over the last several years, Qwest has been focused on generating sustainable free cash flow and strengthening the balance sheet, as well as creating innovative approaches to drive efficiency and perfect the customer experience. We are pleased with the progress we have made and believe that the combined company will be well positioned to win in an increasingly competitive marketplace.

"This transaction is compelling for our shareholders, who will benefit from an immediate premium for their shares, an increase of approximately 50 percent in the annual dividend, and the opportunity to participate in the upside potential of the combined company through their ownership of CenturyLink stock. We look forward to becoming part of a larger company with a strong financial profile, an industry-leading local and national network, and a shared commitment to customers, employees, communities and shareholders. We also look forward to maintaining a key presence in Denver."

#### **Key Benefits of the Transaction**

- **Increased Capabilities:** The combination creates a robust, national 173,000-mile fiber network. With a more diverse mix of offerings, increased scale and stronger product portfolio, the company will be able to reach more customers with a broad range of solutions.
  - **Expanded and Enhanced Competitive Offerings:** The company will have the national breadth and local depth to provide a compelling array of broadband products and services including high speed Internet, video entertainment, data hosting and managed services, as well as fiber to cell tower connectivity and other high bandwidth services. In addition, Qwest Business serves 95 percent of Fortune 500 companies and is one of the three universal service providers for Networx, the largest communications services contract in the world.
  - **Financial Strength and Flexibility:** For the 12 months ended December 31, 2009, the combined company would have had pro forma revenues of \$19.8 billion, pro forma EBITDA of approximately \$8.2 billion, and pro forma free cash flow of approximately \$3.4 billion, excluding synergies. The combined company's pro forma net leverage would have been 2.2 times EBITDA for the 12 months ended December 31, 2009, including synergies on a full run-rate basis and excluding integration costs. No new financing or refinancing is required as a result of this transaction. The combined company's sound capital structure and significant free cash flow generation are expected to support its ability to take advantage of opportunities that may arise, while continuing to invest in its business, reduce indebtedness and return substantial capital to shareholders.
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- **Significant Synergy Opportunities:** The transaction is expected to generate annual operating cost synergies of approximately \$575 million, which are expected to be fully realized three to five years following closing. Key drivers of these synergies include reduction of corporate overhead, elimination of duplicate functions and systems, and increased operational efficiencies. The transaction also is expected to generate annual capital expenditure synergies of approximately \$50 million within the first two years after close. Based on current expectations, CenturyLink estimates that it will incur approximately \$650 to \$800 million of operating costs and approximately \$150 to \$200 million of one-time capital costs to achieve these operational synergies.

#### **Dividend Policy**

Each company plans to continue its current dividend policy until the close of the transaction. Post closing, CenturyLink expects to continue its current dividend for shareholders of the combined company, subject to Board approval. CenturyLink currently pays an annual dividend of \$2.90 per share, which, on an as-converted basis, represents an approximately 50 percent dividend increase for Qwest shareholders.

#### **Management, Board of Directors and Headquarters**

The combined company's senior leadership team is expected to be comprised of executives from both CenturyLink and Qwest, of which the following are being announced today.

- William A. Owens will be chairman of the board
- Glen F. Post, III will be chief executive officer and president
- R. Stewart Ewing, Jr. will be chief financial officer
- Karen A. Puckett will be chief operating officer
- Christopher K. Ancell will be president of business markets group

Following the close of the transaction, the board of directors of CenturyLink will add four members from the current Qwest board, including Edward A. Mueller, Qwest's chairman and chief executive officer.

The corporate headquarters of the company will remain in Monroe, La. The company also will maintain a key operational presence in Denver, including a regional headquarters, the Qwest Business Markets Group, as well as other functions to be determined.

#### **Approvals and Timing**

The transaction is subject to regulatory approvals, including expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act as well as approvals from the Federal Communications Commission and certain state public service commissions, along with other customary closing conditions. The transaction also is subject to the approval of CenturyLink and Qwest shareholders. The companies anticipate closing this transaction in the first half of 2011.

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## **Advisors**

Barclays Capital, Evercore Partners, and J.P. Morgan Securities Inc. acted as financial advisors and Wachtell, Lipton, Rosen & Katz and Jones Walker Waechter Poitevent Carrere & Denegre L.L.P. acted as legal advisors to CenturyLink. Lazard, Deutsche Bank, and Morgan Stanley & Co. Incorporated acted as financial advisors to Qwest while Skadden, Arps, Slate, Meagher & Flom LLP and Wilmer Cutler Pickering Hale & Dorr LLP acted as legal advisors.

## **Teleconference and Webcast**

CenturyLink and Qwest will host a conference call with the financial community today, April 22, 2010, at 9:30 a.m. EDT / 8:30 a.m. CDT / 7:30 a.m. MDT to discuss this morning's announcement. The conference call will be webcast live over CenturyLink's website at [www.CenturyLink.com](http://www.CenturyLink.com) and over Qwest's website at [investor.qwest.com](http://investor.qwest.com). Interested parties also can join the call by dialing (866) 610-1072 (international: (973) 935-2840), and referencing code 69793352, 10 minutes prior to the start of the call.

A digital recording of the call will be available as promptly as practicable and ending May 5, 2010 at 12:00 a.m. EDT. The replay can be accessed by dialing (800) 642-1687 (international: (706) 645-9291) and referencing code 69793352. A replay of the call will also be available on the investor relations sections of both companies' websites.

More information about the transaction is available on [centurylinkqwestmerger.com](http://centurylinkqwestmerger.com).

## **About CenturyLink**

CenturyLink is a leading provider of high-quality voice, broadband and video services over its advanced communications networks to consumers and businesses in 33 states. CenturyLink, headquartered in Monroe, La., is an S&P 500 Company and is listed in the Fortune 500 list of America's largest corporations. For more information on CenturyLink, visit [www.CenturyLink.com](http://www.CenturyLink.com).

## **About Qwest**

Customers coast-to-coast turn to Qwest's industry-leading national fiber-optic network and world-class customer service to meet their communications and entertainment needs. For residential customers, Qwest offers a new generation of fiber-optic-fast Internet service, high-speed Internet solutions, as well as digital home phone, wireless service available through Verizon Wireless and DIRECTV services. Qwest is also the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers. Additionally, Qwest participates in Networx, the largest communications services contract in the world, and is recognized as a leader in the network services market by leading technology industry analyst firms.

## **Forward Looking Statements**

Except for the historical and factual information contained herein, the matters set forth in this release, including statements regarding the expected timing and 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 a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the ability of the parties to timely and successfully receive the required approvals of regulatory agencies and their respective shareholders; 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 Qwest's operations into CenturyLink will be greater than expected; the ability of the combined company to retain and hire key personnel; the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the ability of the combined company to effectively adjust to changes in the communications industry and to successfully introduce new product or service offerings on a timely and cost-effective basis; any adverse developments in commercial disputes or legal proceedings; the ability of the combined company to utilize net operating losses in amounts projected; changes in our future cash requirements; and other risk factors and cautionary statements as detailed from time to time in each of CenturyLink's and Qwest's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance that the proposed acquisition will in fact be consummated. 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 acquisition or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, CenturyLink and Qwest undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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## Additional Information

CenturyLink and Qwest plan to file a joint proxy statement/prospectus with the SEC. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about CenturyLink and Qwest, 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 will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, by directing a request to CenturyLink, 100 CenturyLink Drive, Monroe, Louisiana 71203, Attention: Corporate Secretary, or to Qwest, 1801 California Street, Denver, Colorado 80202, Attention: Shareholder Relations, 51st Floor. The respective directors and executive officers of CenturyLink and Qwest and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyLink's directors and executive officers is available in its proxy statement filed with the SEC by CenturyLink on April 7, 2010, and information regarding Qwest directors and executive officers is available in its proxy statement filed with the SEC by Qwest on March 17, 2010. 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 will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. 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.

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# CenturyLink and Qwest Merger Conference Call

Thursday, April 22, 2010



# Safe Harbor Language

Except for the historical and factual information contained herein, the matters set forth in this presentation, including statements regarding the expected timing and 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 a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the ability of the parties to timely and successfully receive the required approvals of regulatory agencies and their respective shareholders; 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 Qwest's operations into CenturyLink will be greater than expected; the ability of the combined company to retain and hire key personnel; the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the ability of the combined company to effectively adjust to changes in the communications industry and to successfully introduce new product or service offerings on a timely and cost-effective basis; any adverse developments in commercial disputes or legal proceedings; the ability of the combined company to utilize net operating losses in amounts projected; changes in our future cash requirements; and other risk factors and cautionary statements as detailed from time to time in each of CenturyLink's and Qwest's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance that the proposed acquisition will in fact be consummated. 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 acquisition or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Unless legally required, CenturyLink and Qwest undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



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# Additional Information

CenturyLink and Qwest plan to file a joint proxy statement/prospectus with the SEC. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about CenturyLink and Qwest, 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 will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, by directing a request to CenturyLink, 100 CenturyLink Drive, Monroe, Louisiana 71203, Attention: Corporate Secretary, or to Qwest, 1801 California Street, Denver, Colorado 80202, Attention: Shareholder Relations, 51st Floor. The respective directors and executive officers of CenturyLink and Qwest and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyLink's directors and executive officers is available in its proxy statement filed with the SEC by CenturyLink on April 7, 2010, and information regarding Qwest directors and executive officers is available in its proxy statement filed with the SEC by Qwest on March 17, 2010. 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 will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. 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.





# Participants

**Glen F. Post, III**  
**Chief Executive Officer & President, CenturyLink**

**Edward A. Mueller,**  
**Chairman & Chief Executive Officer, Qwest**

**R. Stewart Ewing, Jr.**  
**Chief Financial Officer, CenturyLink**

**Joseph J. Euteneuer**  
**Chief Financial Officer, Qwest**





# Transaction Overview

**Glen F. Post, III**  
***CEO & President, CenturyLink***





# Transaction Summary

<b>Transaction Structure:</b>	<b>All stock combination</b>
<b>Fixed Exchange Ratio:</b>	<b>0.1664 shares of CenturyLink stock per share of Qwest stock</b>
<b>Pro Forma Ownership:</b>	<b>50.5% CenturyLink shareholders / 49.5% Qwest shareholders</b>
<b>Transaction Value:</b>	<b>\$22.4 billion, including net debt of \$11.8 billion as of 12/31/2009</b>
<b>Estimated Synergies:</b>	<b>Approximately \$625 million of annual run-rate synergies <sup>(a)</sup></b>
<b>Estimated Transaction Multiples <sup>(b)</sup>:</b>	<b>5.1x / 4.5x 2009 EBITDA (before / after run-rate synergies); 5.9x / 4.8x 2009 Free Cash Flow <sup>(c)</sup> (before / after run-rate synergies)</b>

(a) \$575 million of run-rate operating expense synergies and \$50 million of run-rate capital expenditure synergies

(b) Based on the latest public filings; Equity value based on fully diluted shares using treasury stock method

(c) Qwest free cash flow calculated as net income + D&A + deferred income tax – capex; Multiple after run-rate synergies includes after-tax opex and capex synergies



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# Transaction Summary (cont'd)

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**Financing:** No new financing or refinancing required

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**Pro Forma 2009 Net Leverage:** 2.4x (before synergies) / 2.2x (after run-rate synergies)

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**Dividend Policy:** Maintain CenturyLink annual dividend of \$2.90 per share

- 2009 pro forma payout ratio ~50.4% (before synergies) / ~45.1% (after run-rate synergies)

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**Closing Conditions:** HSR, FCC, certain state regulatory approvals; CenturyLink and Qwest shareholder approvals; and other customary closing conditions

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**Anticipated Closing:** First half 2011

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# Compelling for Shareholders

**Transformational transaction will create a nationwide, industry-leading communications company**

- **Pro forma 2009: revenue - \$19.8 billion; EBITDA - \$8.2 billion; free cash flow <sup>(a)</sup> - \$3.4 billion**
- **Extensive broadband capabilities with 173,000-mile fiber network**
- **Premier enterprise services to 95% of the Fortune 500 companies**
- **Strong local and national operator serving 5 million broadband customers and 17 million access lines across 37 states**
- **Enhanced ability to competitively roll out strategic products such as IPTV and other high-bandwidth services**



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Note: Pro forma metrics reflect sum of actual 2009 figures and do not include synergies

(a) CenturyLink free cash flow calculated as net income + D&A – capex. Qwest free cash flow calculated as net income + D&A + deferred income tax – capex



# Compelling for Shareholders (cont'd)

## **Well positioned strategically with significant scale and scope**

- National breadth and local depth with a compelling array of broadband products and services
- Diverse markets and revenues
- Strong growth platform - enterprise, broadband and enhanced services
- Attractive strategic product and service partner

## **Enhanced shareholder value, sustainable dividend and financial flexibility**

- Free cash flow accretive upon closing
- Significant synergies: \$625 million run-rate <sup>(a)</sup> with NPV of \$3.3 billion
- Attractive tax assets: \$5.8 billion NOLs with NPV of \$1.7 billion
- Improved 2009 payout ratio from 54.8% to 45.1% (after run-rate synergies)
- Conservative capital structure

## **Experienced management team with strong integration track record**



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(a) Includes \$575 million of run-rate operating expense synergies and \$50 million of run-rate capex synergies



# A Local Operating Model with A Premier Nationwide Network

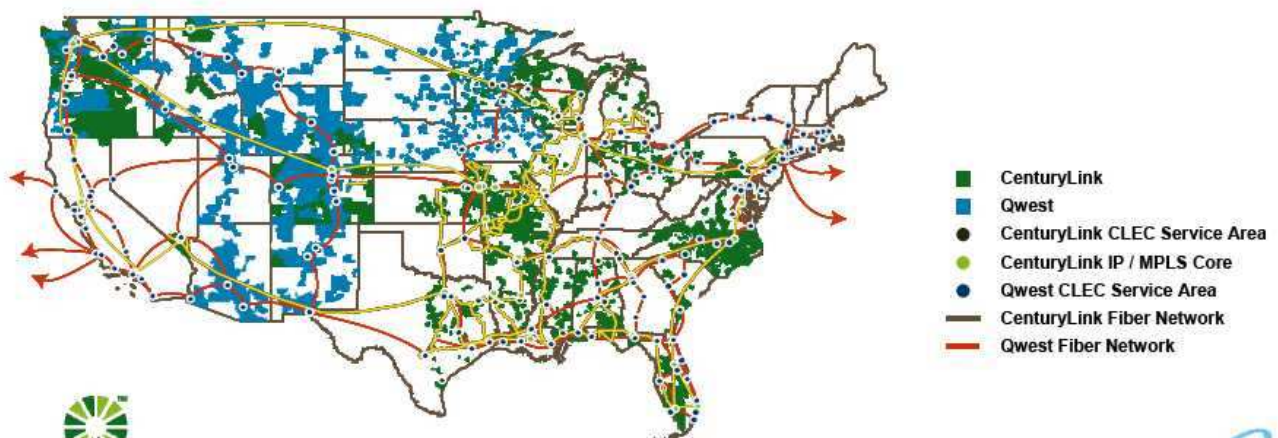
**Transformational transaction will create a nationwide, industry-leading communications company with national breadth and local depth**

## **National Breadth**

- Approximately \$5 billion of pro forma 2009 enterprise revenue
- Serves more than 95% of Fortune 500 companies
- Leverages fiber network to lower costs and expand on-net footprint

## **Local Depth**

- CenturyLink's operating model focus on local accountability
- Sales and services closer to the customer

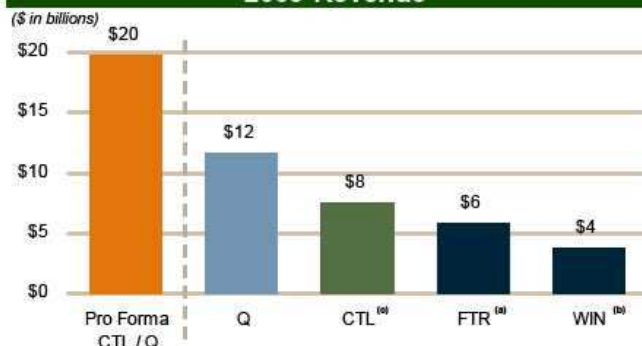


# Enhanced Scale, Scope and Reach

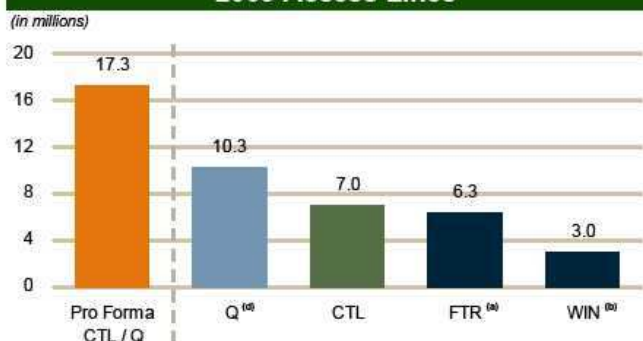
## Firm Value



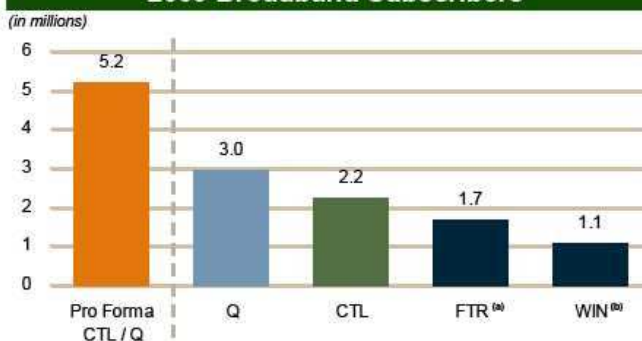
## 2009 Revenue



## 2009 Access Lines



## 2009 Broadband Subscribers



Source: Company filings

Note: Firm value as of April 21, 2010

(a) Pro forma for Frontier's acquisition of Verizon assets

(b) Pro forma for Windstream's acquisition of Nuvox; Not pro forma for acquisition of Iowa Telecom

(c) Pro forma for CenturyTel's acquisition of Embarq

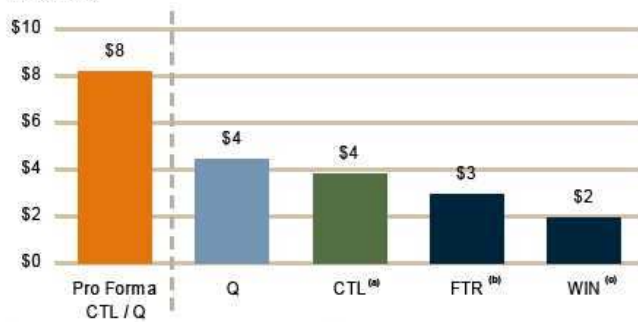
(d) Includes ~403k affiliate access lines



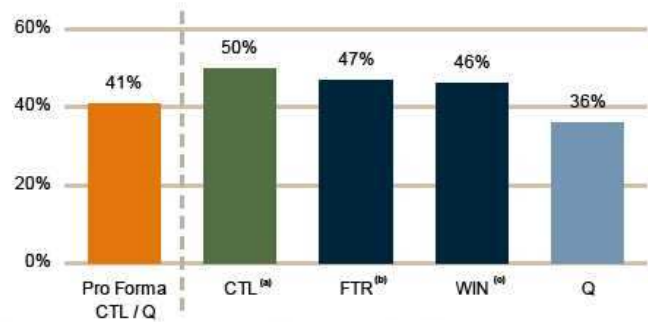
# Attractive Financial Profile

2009 EBITDA

(\$ in billions)



2009 EBITDA % Margin



2009 Dividend Payout Ratio



2009 Net Leverage



Source: Company filings

(a) Pro forma for CenturyTel's acquisition of Embarq

(b) Pro forma for Frontier's acquisition of Verizon assets

(c) Pro forma for Windstream's acquisition of Nuvox; Not pro forma for acquisition of Iowa Telecom

(d) Windstream payout ratio as reported and not pro forma for acquisition of Nuvox or Iowa Telecom



CenturyLink

# Estimated Synergies & Integration Costs

<b>Operating Cost Synergies</b>	<ul style="list-style-type: none"><li>• Corporate Overhead</li><li>• Network and Operational Efficiencies</li><li>• IT Support</li><li>• Increased Purchasing Power</li><li>• Advertising / Marketing</li></ul>	<b>~\$575 million annually</b>
<b>Capex Synergies</b>		<b>~\$50 million annually</b>
<b>Integration Costs</b>	• One-time operating costs to achieve synergies	<b>\$650 - \$800 million</b>
	• One-time capital costs to achieve synergies	<b>\$150 - \$200 million</b>



# Governance

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**Chairman of the Board:** William A. Owens

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**Chief Executive Officer & President:** Glen F. Post III

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**Chief Financial Officer:** R. Stewart Ewing Jr.

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**Chief Operating Officer:** Karen A. Puckett


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**President of Business Markets Group:** Christopher K. Ancell

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**Board Members:** 4 members from the current Qwest Board, including Edward A. Mueller, Qwest's Chairman and Chief Executive Officer to be added to CenturyLink Board

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# **Qwest's Perspective**

**Edward A. Mueller**  
***Chairman & CEO, Qwest***



## Value Accretive for Qwest Shareholders

- **Opportunity to participate in the future success of industry-leading communications company**
- **Attractive premium compared to current stock price**
- **Benefit from value creation upon realization of substantial synergies**
- **Receive ~50% increase in rate of annual dividend**
- **Increased financial strength and flexibility**



# Closing

**Glen F. Post, III**  
***CEO & President, CenturyLink***



# Great Strategic Combination

- **Significantly enhanced scale with improved growth characteristics**
- **Immediately accretive to free cash flow / improved payout ratio**
- **Significant free cash flow, solid balance sheet and strong liquidity**
- **Extensive broadband capabilities with 173,000-mile fiber network**
- **Experienced and dedicated employee team**



# Century**Link**





Event ID: 3040526  
Culture: en-US  
Event Name: CenturyLink and Qwest Agree to Merge Conference Call  
Event Date: 2010-04-22T13:30:00 UTC

P: Operator;;  
C: Tony Davis;CenturyLink;VP, IR  
C: Glen Post;CenturyLink;Chairman, President & CEO  
C: Ed Mueller;Qwest;Chairman & CEO  
P: Batya Levi;UBS;Analyst  
C: Stewart Ewing;CenturyLink;EVP & CFO  
P: John Hodulik;UBS;Analyst  
P: Michael Rollins;Citi Investment Research;Analyst  
P: Simon Flannery;Morgan Stanley;Analyst  
P: David Barden;Bank of America;Analyst  
P: Jason Armstrong;Goldman Sachs;Analyst  
P: Frank Louthan;Raymond James;Analyst  
P: Chris King;Stifel Nicolaus;Analyst  
P: Jonathan Chaplin;Credit Suisse;Analyst  
P: Mike McCormack;JPMorgan;Analyst  
P: Chris Larsen;Piper Jaffray;Analyst  
P: Javier Lavas;Oppenheimer;Analyst  
C: Joe Euteneuer;Qwest;EVP & CFO  
P: Todd Rethemeier;Hudson Square Research;Analyst  
P: Phil Cusick;Macquarie;Analyst  
P: Robert Schiffman;Credit Suisse;Analyst  
P: Joe Stauff;Susquehanna;Analyst

+++ presentation

Operator: Ladies and gentlemen, thank you for standing by, and welcome to today's conference call and webcast to discuss the combination of CenturyLink and Qwest. (Operator Instructions). I would now like to turn the call over to Tony Davis, Vice President of Investor Communications at CenturyLink. Please go ahead.

Tony Davis: Thank you. Good morning, everyone, and welcome to our conference call today to discuss the combination of CenturyLink and Qwest, which was announced earlier this morning. For those of you who have access to the Internet, we will be using a slide presentation during today's call. And this presentation is available on both CenturyLink's and Qwest's websites and on the joint website that we launched this morning at [www.centurylinkqwestmerger.com](http://www.centurylinkqwestmerger.com).

At the conclusion of our prepared remarks, we will open the call for Q&A regarding the transaction.

Your hosts for today's call are Glen Post, President and Chief Executive Officer of CenturyLink, and Ed Mueller, Chairman and Chief Executive Officer of Qwest. Also joining us this morning are Stewart Ewing, Executive Vice President and Chief Financial Officer of CenturyLink, and Joe Euteneuer, Qwest's Executive Vice President and Chief Financial Officer.

Certain forward-looking statements may be made during the call today, and we ask that you please review our Safe Harbor language found in our press releases and the slides we will be using during today's presentation, as well as our SEC filings which describe factors that could cause our actual results to differ materially from those projected by us in our forward-looking statements.

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With that introduction, I will turn the call over to Glen Post. Glen?

Glen Post: Thank you, Tony. We appreciate the opportunity to speak with you today, and thank you for taking time to join us on such short notice.

This is an exciting day for all of us at CenturyLink and at Qwest and hope you share our enthusiasm. I will begin on slide six, which outlines the key terms of the transaction. I will run through these briefly.

This is an all stock transaction in which Qwest shareholders receive a fixed exchange ratio of 0.1664 CenturyLink shares for every share of Qwest common stock they own. Upon close, CenturyLink shareholders will own 50.5%, and Qwest shareholders will own 49.5% of the combined company. Based on CenturyLink's closing stock price at \$36.20 yesterday, Qwest shareholders would receive \$6.02 of CenturyLink's stock for each Qwest share. This represents a total enterprise value of \$22.4 billion, including the assumption of \$11.8 billion of Qwest debt.

We also expect to achieve annual run-rate synergies of approximately \$625 million. This represents a multiple of 5.1 times last 12 months EBITDA before synergies and 4.5 times EBITDA after run-rate synergies.

In addition, it represents a 5.9 times last 12 months free cash flow before run-rate synergies and 4.8 times free cash flow after synergies.

As you see on slide seven, there are no financing contingencies or any refinancing requirements related to the transaction. The combined company will have had pro forma leverage of 2.4 times EBITDA for the 12 months ended December 31, 2009 before synergies and 2.2 times EBITDA after run-rate synergies. We expect to maintain our current dividend, which results in a payout ratio of approximately 50% based on pro forma 2009 results and potentially under 50% after expected run-rate synergies. We expect the transaction to close in the first half of 2011, following approval of CenturyLink and Qwest shareholders, as well as federal and state regulators.

Turning to slide eight, I want to discuss why we believe this combination is so compelling both strategically and financially. This is a truly transformative transaction. Upon completion CenturyLink will be a national industry leading communications company with an enterprise business that we expect to be a significant contributor to our growth. The combined company will be even more competitive with significantly increased scale and scope, including an operating presence in 37 states with approximately 5 million broadband customers and 17 million access lines. We will deliver premier enterprise services to 95% of Fortune 500 companies across the country.

In addition, this combination creates a robust 173,000 mile fiber national network that will enable the efficient provisioning of data communication services across the US and into our local markets.

The transaction is also compelling from a financial perspective. If you look at our companies on a pro forma basis as of December 31, 2009, we will have had pro forma revenue of nearly \$20 billion, EBITDA of over \$8 billion, and \$3.4 billion in annual free cash flow.

In addition to benefiting from greater scale and efficiencies, this transaction also diversifies our revenue streams. It significantly increases our enterprise business revenue streams, which we believe will provide a foundation of future growth, especially considering the increasing demand for data communications.

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We also have a much broader platform with which to expand our broadband services, as well as other enhanced services such as IPTV and managed services, and our national network will better position the Company as a valuable strategic partner for our customers across the country.

We do believe this transaction is compelling our shareholders. Due to increased scale, financial strength, diversity of revenue and a stronger national network, we will be better positioned to compete against cable companies and others within our local market and against other carriers for business and wholesale customers. We expect the transaction to be accretive to free cash flow per share, excluding integration costs, immediately following the close of the transaction. The combined company expects to achieve annual run-rate synergies of approximately \$625 million, which includes capital expenditures synergies of approximately \$50 million. The estimated net present value of these synergies again is over \$3 billion.

I would like to point out that in terms of capturing synergies we have a strong track record of meeting our synergy targets on previous transactions, and we are currently ahead of plan in realizing expected synergies of the Embarq transaction that closed last year.

Qwest also has attractive tax assets in the form of \$5.8 billion net operating losses at the end of last year. Subject to certain limitations, of course, the combined Company will be able to use these NOLs, which means that we expect approximately \$1.7 billion of net present value of tax savings over the next few years.

We expect to maintain CenturyLink's current dividend, which when combined with an improved cash flow profile, will result in a lower payout ratio. The combined company will have a conservative capital structure with pro forma leverage of 2.2 times EBITDA after synergies on a full run-rate basis and excluding integration costs.

We believe the combined Company's sound capital structure will enhance our ability to address challenges and allow us to take advantage of opportunities that may arise while continuing to invest in the business and return substantial capital to shareholders.

Finally, we have an experienced leadership team with a proven track record of successfully integrating sizable acquisitions. We believe that working together with Qwest leadership we can ensure a smooth integration process with this transaction.

As you will see on slide 10, this combination will create a leading national network to deliver best-in-class products and services to all customer segments. The transaction adds important new enterprise product capabilities to CenturyLink that will help drive additional revenue in our existing footprint. Qwest's enterprise business is stable and we believe has significant growth potential. The combined Company will have more than 1 million enterprise customers. And the robust network also enhances our ability to control our own destiny in terms of the growing demand for data transport.

Also, CenturyLink's footprint is shown in green here and Qwest's footprint in blue. CenturyLink and Qwest share 10 states with complementary footprints and will gain access to four new states -- Arizona, North Dakota, South Dakota and Utah -- which represents about 15% of Qwest's total access lines. The scale and reach of the combined company should allow us to more effectively pursue growth opportunities in wireless and data hosting, IPTV and other areas. We also expect to leverage CenturyLink's local market business model that moves accountability and decision-making closer to the customer.

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Turning to slide 11, the combined Company will have dramatically enhanced scale, scope and reach. I will not take you through all the numbers here, but as you can see, the combination effectively doubles the size of the Company and makes it 2.5 to 3 times bigger than the next largest local exchange carrier. In sum, this combination really creates a business with tremendous scale with many potential strategic options and is immediately free cash flow per share accretive.

Slide 12 shows the combined Company's attractive financial profile. The combined Company will have a strong balance sheet with pro forma leverage of 2.4 times EBITDA for the 12 months ended December 31, 2009 before synergies. As a result, we will be the lowest levered company in our industry sector, which is consistent with our focus on conservative capital structure.

We also see the potential to further delever our balance sheet over time. On a pro forma basis, including full run-rate synergies, the Company would have generated \$3.8 billion of free cash flow in 2009, and free cash flow after dividends would have been \$2.1 billion. This should allow us to comfortably maintain current dividends and de-lever at the same time.

In addition, there are no change in control implications to either company's debt agreements.

On slide 13 I will walk you through the synergies and integration costs. These estimates were based on detailed due diligence and arrived at jointly by both management teams, which shared a conservative approach. This transaction is expected to generate annual operational costs synergies of about \$575 million, which we expect to fully realize three to five years following closing. Key drivers of these synergies include reduction of corporate overhead, the elimination of duplicate functions and systems, and increased operational efficiencies. We expect the Company will incur approximately \$650 million to \$800 million of one-time operating costs and approximately \$150 million to \$200 million of one-time capital costs to achieve these operational synergies.

The transaction is also expected to generate annual capital expenditures synergies of approximately \$50 million within the first two years after close.

As you can see on slide 14, I will remain CEO and President of the combined Company. Stewart Ewing will continue to serve as CFO. Karen Puckett will continue as Chief Operating Officer, and Christopher Ancell will serve as our President of Business Markets Group, providing important consistency for our Company. Our current Chairman, Bill Owens, will remain Chairman. Following the close of the transaction, the Board of Directors of CenturyLink will add four members from the current Qwest board, including Ed Mueller, the current Qwest Chairman and CEO.

Before I turn the call over to Ed Mueller to talk about the transaction, I want to say that over the last few years Ed has assembled a strong management team, and they have done a very good job of making positive strides, especially in building their enterprise and government business. They have also aggressively invested in their network infrastructure while reducing their leverage. And I look forward to working with Ed and his team and the thousands of Qwest employees for the months and years ahead. Ed?

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Ed Mueller: Thank you, Glen, and good morning, everybody. I would like to begin by echoing Glen's comments regarding the virtues of this planned merger. As you can imagine, Glen and I have spent a great deal of time thinking about the direction of the telecom industry, and we have had extensive discussions on what would make the most sense for our respective constituencies in seizing the opportunities and tackling the challenges that lie ahead. This morning's announcement reflects the culmination of these discussions, and I could not be more pleased with where we have landed.

As you know, CenturyLink and Qwest have both been delivering outstanding service for our customers, strong returns for our shareholders, and attractive career paths for our employees. And when Qwest reports our first-quarter results in a couple of weeks, I think you will see that we are continuing to post strong operating results.

As a national player with substantially increased scale and broader scope, I am convinced that together CenturyLink and Qwest will become an even stronger competitor. The increased scale of our business allows us to invest in and deliver differentiated products and services that our customers will demand in the future. The combination opens up new strategic opportunities with industry participants including marketing partners and network vendor suppliers. And, of course, scale brings financial flexibility and strong efficiencies, and so we should continue to be an attractive opportunity for our shareholders.

Finally, the combined Company will have dedicated and experienced employees and will continue to provide a work environment where employees can both be challenged and rewarded.

This transaction provides a very specific tangible benefit for Qwest shareholders. The exchange ratio, as Glen has mentioned, of 0.1664 provides a stock price of \$6.02, representing a 15% premium from yesterday's close.

In addition, with ownership of just under half of the combined Company, Qwest shareholders can participate in future upside that will be supported by strong operating synergies.

I am pleased to report that our shareholders will benefit from a substantial increase in our dividend payments. It is our intention to continue to pay annual dividends of \$0.32 per share through the close. Following the close, our shareholders will start to receive the higher CenturyLink dividend, which is the equivalent of approximately \$0.48 per share on current Qwest shares.

And finally, as many of you know, over the past several years, Qwest has been improving the balance sheet, and we have made great progress in reducing our leverage. This transaction accelerates the de-leveraging and provides significant financial flexibility as we become part of a company that has \$40 billion in enterprise value. The improved financial strength and flexibility provides great upside for our shareholders going forward.

I am very excited about the future it holds for Qwest and CenturyLink, and I am honored that I will participate in the Company as a member of the board.

I have spoken with you in the past about the pride I have in our management team at Qwest. Over the past several months, I have had the opportunity to get acquainted with Glen and his management team at CenturyLink and have been very, very impressed. I have also had the opportunity to learn about their culture and have found that we share much in common with both a strong customer and employee orientation.

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In closing, I truly believe this merger will mark a new milestone in the telecom industry's 100 plus year history of providing reliable and innovative services for our customers. And I believe this will be a big win for all of our key constituencies.

Now I will turn it back to Glen.

Glen Post: Thank you, Ed. In summary, we are very excited about this transformative transaction. We believe it will provide significant benefits for our shareholders, our customers and the communities we serve. With Qwest we will have a larger national presence, and we are confident that we will be able to maintain our focus on our local markets through our effective regional operating model and targeted marketing strategy. Also, our combined extensive national network will significantly expand our ability to deliver strategic and customized products and service solutions to our business, wholesale and government customers throughout the US. The transaction also creates a more diverse revenue stream and greater financial resources and flexibility. It allows us to generate significant free cash flow to return capital to shareholders through dividends while also reducing our payout ratio and continuing to reduce leverage.

As we discussed, we expect to achieve substantial synergies and to benefit from Qwest's attractive tax assets. We are committed to maintaining a strong balance sheet and to continue to invest in our networks, enabling our provisioning of broadband and other services to the communities that we serve. Our experienced and dedicated management teams will be working together in the months ahead to ensure smooth and disciplined integration process, at the same time maintaining our focus on executing our business plans.

In summary, this is an exciting transaction, and we believe it makes strong strategic sense for both of our companies. And this concludes our prepared remarks, and we would be happy now to take your questions.

+++ q-and-a

Operator: (Operator Instructions). Batya Levi, UBS.

Batya Levi: I will start with a question, and then John Hodulik is going to have a quick follow-up. The first one on the synergies. I see that they are only 7% of Qwest cash operating expense. Is there any reason why we should believe that they will be lower than typical deals of the storage where carriers were able to take 15% to 20% out? Especially looking at Qwest's long-haul business and the network you inherited from Embarq, I would have thought that there would be greater synergies putting the two together. If you can just touch on that, that would be great.

Maybe one thing on Qwest's NOLs. Can you remind us how big they were, and will you have full use of them?

Glen Post: First of all, regarding the level of the synergies, we are very confident that we can achieve the synergy targets we put in place. There are some things we do not know as far as the business markets groups. The IXC business, as far as extent of the synergies that are there yet, we are working together with Qwest leadership over time. The network synergies, the system synergies are still not totally clear, but we are confident that the \$575 million of operating synergies that we have in place is achievable.

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Stewart Ewing: In terms of the NOLs, it is about \$5.8 billion of NOLs, and we expect to be able to utilize all of those NOLs over a period that is comparable to the period that Qwest has disclosed in the past. Again, since we are a current taxpayer, it will improve the cash flow of the combined Company.

John Hodulik: And maybe just a quick follow-up for Ed. Ed, from a Qwest perspective, it seems like Qwest is well-positioned as it has been in years. A lot of it because of your efforts. It turns out the business model has turned around. And the deal is coming at a point in time where it looks like there is really only one bidder out there given that frontier is sort of out of it for 12 months. Is there any reason why the deal has to happen now? I mean I think myself and some investors are a little surprised it happened as soon as it has when it looks like Qwest really has a lot of runway at this point.

Ed Mueller: John, I think that was you. So we have, as I have said in the last several years, that we continue a disciplined approach of what would be best for our shareholders. This transaction for us with all the upside of the premium we get, the 50% increase for our shareholders, the opportunity and the synergies, and working with Glen and his team, this is a really good time for us, frankly, and I think this is a good time for the corporation to share and combine with Glen and his team.

So I think the de-leveraging, the balance sheet improvements, all the value that is going to be created here and the opportunity, we will continue to operate both companies. We will continue to operate in a good fashion together. We will still be able to achieve good results. So I really think this is a very good time to be combining our companies.

Operator: Michael Rollins, Citi Investment Research.

Michael Rollins: Just a question on the balance sheet. So if you go back to some of the comments that both companies have made about your balance sheet strategy, Qwest, I believe, you have talked about targeting investment grade ratings for the whole Company over time. And CenturyLink, you are currently rated investment grade. So can you give us a sense of what you're targeting in terms of balance sheet leverage and ratings as you look at the pro forma company?

And the second question would just be, as you look forward at the potential for cash repatriation, how do you weigh dividends versus buybacks as you look at what the combined company can generate in terms of cash flow?

Ed Mueller: Well, just looking at CenturyLink for the year 2009, we ended the year with net debt to EBITDA of about 2 times. This without run-rate synergies on a pro forma basis with increases to about 2.4 times with the run-rate synergies of about 2.2 times net debt to EBITDA.

I mean so our targets are still really what they have been in the past from our standpoint, and we hope to target of net leverage of somewhere in the low 2s.

Glen Post: This is Glen. Regarding dividends versus buybacks, first of all we think in today's world we need to maintain a strong dividend. I personally like the stock buybacks, and we will be looking at those options in the months and years ahead. Probably it is a board decision, but the buyback is certainly a good option.

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Michael Rollins: As a follow-up, can you just give us a sense of what metrics you believe you have to hit balance-wise if you wanted to be considered investment grade? Do you have a sense from the rating agencies of where those metrics need to be over time?

Ed Mueller: No, we cannot really comment on that. But this combined Company will generate significant free cash flow over time, which will allow us to really, we believe, maintain what we consider to be great financial metrics from a bondholder perspective.

Operator: Simon Flannery, Morgan Stanley.

Simon Flannery: Congratulations. First, can we talk about the approval process? I think you said 37 states. How many of those states do you think will go through a formal process, and are there timelines that ensure that it will close within sort of the first half of 2011?

And then on synergies, I note you did not put any revenue synergies in, but I think in the case of Embarq certainly you had some benefits in terms of driving DSL penetration and things like that. It would seem there are opportunities here to cross-sell services into perhaps the Century customer base from some of the Qwest national services. Perhaps you could just talk about the opportunity there, thanks.

Glen Post: Simon, regarding the state approvals, we are still in the process of determining exactly how many of them -- all the states will look at this transaction, and we will have a number that would require approval. We think within the next 12 months we can go through this process and get it done successfully. I do believe the vast majority of states are going to look positively at this transaction. This can enable us to more effectively and efficiently bring services to customers and communities. The financial characteristics of this Company are strong, so we think it is going to be a pretty sound process with the states.

Ed Mueller: And with respect to revenue synergies, although we did not quantify revenue synergies, we believe that there are significant opportunities here to drive new products and services to customers over time to increase and continue to increase penetration rates of high-speed Internet service over time with the great fiber-to-the-node build that Qwest has been pursuing for the last couple of years, and we would expect to continue that. And again, to drive very high-speed Internet services. Additionally over time we will look at the potential of rolling out IPTV as our network will be prepared from the standpoint of the speeds that it can deliver.

Operator: David Barden, Bank of America.

David Barden: Congrats on the transaction. Maybe if I could just ask a couple of questions on the synergies. First, if you could -- obviously you said earlier I think, Stewart, that you did not put in synergies for the networks and systems on the business side because you have not clarified that yet. But if you can maybe break down into the larger buckets where the synergies are coming from and how they stage out through this three to five-year period, it would be helpful.

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And then I guess as a follow-up to that, could you be clearer about how the regulatory elements factors into these synergies and how CenturyTel's exposure to some of the universal service reform and intercarrier comp issues is changing as a result of the Qwest merger would be helpful as well.

Glen Post: This is Glen. Regarding the network synergies, what I was saying was not that we -- we have identified significant network synergies. We think there could be more, but we have identified significant network synergies already. The whole business markets group, the synergies available there, are not as clear as the other areas, and that is really what I was referring to. So we are hopeful that there will be additional synergies that we will find, but we have not completely identified all those we think.

Stewart Ewing: With respect to the regulatory process, it will certainly reduce the universal service and access that is a part of our revenue stream. And one of the great parts about this transaction is it increases our revenue from enterprise customers from about 11% of their revenue to about 25% of revenue with the combined company, and we think that is significant. So basically our exposure in USF and access would go down to single digit rates.

David Barden: And I apologize if I could follow up. Glen, I did not mean to suggest that you had not put anything in. But could you divide those synergies into buckets and kind of help us think about how they stage in through this three to five-year process?

Glen Post: We really are not ready to talk about that today. I am sure over time we will be able to more granularly discuss that with you but not today.

David Barden: And, if I could, maybe just one last one. Just on your wireless strategy, I think Qwest has obviously gone down this multi-billing strategy with Verizon. You guys have, I think, flirted with the notion of even building your own wireless business. How are you thinking about wireless strategically now that you are basically a national wireline player?

Ed Mueller: Well, Qwest has had really good results with the partnership with Verizon. We are going to take a hard look at that going forward. The good thing is, we, as a larger company with greater scale, we will have a chance to look at all of our alternatives there and see what we believe is best long-term for the Company. We look forward -- we think that wireless needs to be a part of this strategy going forward, and we are pleased with what Qwest has accomplished at this point.

Operator: Jason Armstrong, Goldman Sachs.

Jason Armstrong: Congratulations. Maybe, first one, I will take the other side of the timing question just for Glen. Why the rush towards another deal given you are still granted in the later stages of integrating but still in stages of integrating Embarq. Qwest has obviously had a strong move recently. So I'm wondering did you just perceive here that there was risk of the Company getting away from you from a valuation perspective.

And then second question, just in terms of competitive markets, I hear the argument that you are lowering USF and access risk. But, at the same time, you are getting into more urban market exposure and also an enterprise franchise that really puts in more direct competition with AT&T and Verizon. Just how you get comfortable with that?

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Glen Post: Regarding the timing, we feel really good about where we are with the Embarq transaction. We are ahead of our target on synergy achievement. The integration process is going very well.

In addition, we don't expect this transaction -- the Qwest transaction to close for another 12 months. It will be further down the road, and I am confident that the results will be similar for this transaction with Qwest as far as our ability to integrate it. There was no rush, no pressure here, but when the timing is right, as Ed pointed out, it is an opportunity to do this deal, and we ought to -- both come said it was a good time to get it done.

In terms of regarding the urban markets, we understand the differences there. But if you look at the first six months, we have been very successful we believe in reducing access line rates in the urban Embarq markets. Very good results there if you look at the high-speed Internet adds has turned around significantly. We do not have final numbers, but we believe the first quarter is also going to reflect significant positive progress. In the urban markets, we have Embarq. So we have a lot of confidence in our local operating model, and our ability to bring enhanced product and services to these markets can work in urban as well as the rural markets. We are still very committed to our rural markets, but we think it's a really an opportunity in these urban markets to compete and to drive improved metrics and results.

Operator: Frank Louthan, Raymond James.

Frank Louthan: On the synergies whose systems are you going to be using going forward, Qwest or the Century systems? Is that where most of the synergies are coming from? And give us an update on where you are sort of the percentage of complete on the Embarq systems? I assume that is going to be -- the target will be down within the next 12 months. So if you can give us an idea of where you are on those conversions, that would be great.

Glen Post: Yes, we have not made final decisions on which systems we will use. We believe that our consumer billing and customer care system is state-of-the-art, and we would expect probably to convert to CenturyLink system. On the consumer side, we will be looking at the enterprise business side and making those decisions going forward. There certainly are significant synergies in that part of the integration.

And as far as where we are in the Embarq process, we have completed the financial accounting, human resources conversions. We completed the Ohio conversion. We expect to complete the North Carolina billing, I think Ohio the billing and customer care conversion and the provisioning conversions in Ohio. We expect in the next couple of weeks, in the next month it will be complete as we complete the North Carolina conversion, which is the second largest state in which we operate. Things are going really well there, we are on target, and we believe that this process -- in 12 months we will be well underway to the completion of the integration with Embarq.

Frank Louthan: Okay. Great. And you all own some 700 megahertz spectrum. Going forward how are you thinking about how 4G wireless plays in strategically with the industry? Qwest obviously has an option with the Verizon partnership. Would you continue that sort of strategy and maybe roll that through more of the CenturyLink and Embarq properties? How do you think the importance of that relative to your strategy and in thinking about acquiring Qwest going forward?

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Glen Post: Yes, we think wireless is important, very important going forward. As far as the 700 megahertz, that is going to be a very -- our ownership now will be a very small percentage of the total market area, coverage area. So I think it will be difficult to really expense, especially when the urban markets acquire 700 megahertz spectrum. So we will be taking a look at what we do in the smaller markets than real market if it still makes sense for us there. That is a decision we will make in the months ahead. We will continue some trials. We expect toward the end of the year and early next year in some of our smaller markets. But again, I think that what Qwest has accomplished with the Verizon transaction is pretty impressive right now, and we will be taking a hard look at that and leveraging our size and scale to drive really good partnerships going forward.

Operator: Chris King, Stifel Nicolaus.

Chris King: Congratulations. Two quick questions. One, I just wanted to ask about a breakup fee if there is one and whether you guys were ready to disclose that at this point?

Secondly, just running through the Embarq regulatory approval process that you guys went through, the FCC made certain demands for DSL availability. Do you see similar type of metrics being applied to this acquisition, and if so, -- have those new buildout numbers, have they been included in your synergy guidance for the next several years going forward?

Stewart Ewing: With respect to the breakup fee, there is a breakup fee, and it goes both ways for each Company. And it will be disclosed as part of our 8-K filing when we file the agreement.

Glen Post: As far as the FCC requirements, broadband commitments, those are unknowns. We do believe that we have an outstanding network today, that we are hopeful that whatever those requirements are can be handled through our -- really what we believe is a very strong capital investment commitment that we have already, and we will be working with the FCC and other regulators to go through this process. But again, I think we have done a very good job of bringing broadband services to a lot of areas. Both companies have over the last couple of years. So we will just have to see how this process goes.

Operator: Jonathan Chaplin, Credit Suisse.

Jonathan Chaplin: I had two quick questions if I may. Sorry, I'm calling from my cell phone. I hope you can hear me.

So the first question is just a follow-up to an earlier question on the integration on the Embarq integration process. I think when we met a couple of weeks ago, you said by the end of the second quarter you would be about 25% of the way through the integration process. I wanted to check if that was correct. How confident do you feel about the remaining 75% of the integration process? It still seems like it's a lot out there ahead of you. What your sense of risks around delays in the integration should have for delays in the closing of this transaction.

And then secondly, I wanted to touch on the wireless -- your wireless strategy going forward a little bit. I know that you have just closed an asset deal and you are all probably exhausted from it and not even thinking about the next potential deal yet. But now that you are very -- you have a national enterprise business, you are a lot closer to having a national [low backstep] business, does it make sense for you to have a national wireless asset as well? How do you think about the synergies between wireless and wireline? Thank you.

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Glen Post: First of all, I think that is right. We will be 25% done with the billing customer service conversion. We are completely done with the finance, human resources, accounting conversions, so those are behind us. It is really the billing customer care conversions. We feel very good right now about where we are with that process. We believe we have North Carolina done in a couple of weeks, three or four weeks at the most, and then we are on track to complete those conversions by the end of 2011. So right now we feel good about that.

As far as the wireless strategy, it is too early for us to be talking about what we may or may not do there. We do like the partnership, what we have seen of it, that Qwest has with Verizon, but we will work from there and make those decisions in the months and years ahead.

Jonathan Chaplin: Great. Thank you very much, and congrats to you all.

Operator: Mike McCormack, JPMorgan.

Mike McCormack: You talked earlier about the importance of revenue diversification and did make mention of some of the business and enterprise exposure. Is that an area where going forward you might become more agnostic when you're looking at potential assets down the road and acquisition targets?

Glen Post: You know, Mike, we are not going to go out and buy shirt factories like that. We are going to be in the communications business. I could say it does not necessarily have to be local [allied] type assets. But you are right. Now we are going to be focused on integrating, completing the Embarq integration, and integrating the CenturyLink and Qwest businesses, and that is our focus. We are not really concerned right now about further diversification. We are going to be focused on these transactions.

Operator: Chris Larsen, Piper Jaffray.

Chris Larsen: A couple of questions. First, any overlapping properties with the CLEC asset that you think the regulators might look at? Secondly, you talked a little bit about IPTV. Any thoughts on changing the rate of investment in your fiber to the neighborhood since you did highlight that?

And then, Glen, maybe a question for us New Yorkers who view the world as very New York centric. Any concerns that you will not have a deep enough talent pool in Monroe given how big the business is now getting relative to the size of Monroe and how you already are a very, very important employer in that market?

Glen Post: With respect to the overlapping CLEC markets, there are a few minor markets where we overlap, but we don't really expect any issues there.

Glen Post: As far as Monroe, we don't think we will have any major issues. We have always been able to attract great talent to Monroe, and we will also have presence in Denver. So we are very confident we attract the talent we need, and even though it's a small town, we have very low turnover, and it is a great place to live. So we are not concerned about that.

Chris Larsen: Fair enough. And on the fiber to the neighborhood?

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Glen Post: We don't expect any major increases in investment there. We were already investing significantly in our fiber network, driving fiber deeper into our service areas. So we are aggressive there. We do not expect any major changes there at least not in the foreseeable future.

Operator: Tim Horan, Oppenheimer.

Javier Lavas: This is [Javier Lavas] sitting in for Tim Horan, and I just had a very quick question for Joe at Qwest. Hopefully I did not miss this earlier in the call. I just had a housekeeping question. Given Qwest's fairly aggressive deleveraging plans for 2010/2011, can we assume Qwest will continue to pay down debt and schedule through the deal close, or have these plans changed due to that transaction?

Joe Euteneuer: No changes whatsoever. We will continue to do exactly what we set out for you, and that is why the strength of these two companies coming together will have such investment-grade characteristics post-close.

Operator: Todd Rethemeier, Hudson Square Research.

Todd Rethemeier: Two questions if I could. First, Qwest has always taken a different approach on video than the other large telecom companies in that they are not -- they are letting the customers just go out and find the content themselves and not necessarily providing the programming to them. I'm just wondering if you have thought about that and if that will change?

And then the second question, I guess I have not heard -- maybe I missed it -- but I have not heard anything said about which brand name you intend to keep.

Ed Mueller: Let me start with the video strategy. One thing that is very attractive of putting these two companies together, we do have a linear video strategy. It is with DirecTV, so we had never planned as we built our fiber-to-the-node to augment that with IPTV for the expense and the moving forward. So we have a very financially attractive DirecTV strategy.

As we were starting to talk, Glen and I, with their rolling out of the IPTV, that is just additive to our markets. And for an incremental cost, our infrastructure is exactly the right infrastructure to take advantage of all of this when you talk about IPTV and/or over-the-top video. So it is very complementary, and our markets, our residential markets, will have another option, which I think is tremendous, and we do really good with DirecTV.

So that has been very complementary, and I don't think there is any change in our infrastructure. Glen has already talked about building fiber-to-the-node to the neighborhoods. We think that is right on faith and would be built into the combined Company's capital expenditure. So I'm really happy with this. This is just additive and really I think strong for our customer base.

Glen Post: And regarding the branding question, we have not made final decisions. My initial view is we would lean toward the CenturyLink brand in the mass markets, consumer market area. We will consider in the business markets group whether we should include the -- realize the Qwest name there. Strong brand recognition there. But we will make those decisions in the weeks and months ahead. We will look at this every way we need to look at it before making the final decision.

Operator: Phil Cusick, Macquarie.

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Phil Cusick: Just a quick one. In terms of both companies' CapEx plans, CenturyTel is talking about -- you have talked about building out fiber into more areas, and Qwest is looking at building fiber deeper into the property. Can you talk about what might change as you look at now merging the companies?

And then I don't think we have had a comment, was there a competitive bidding process here and was there another bidder in there, or was this really just a discussion between the two of you?

Ed Mueller: This is Ed. I will take the bidding question. As I said before, we have constantly always looked at our options. And as we have got to know these two companies and Glen and I got to watch and see how the teams interacted, the complementary nature of this, we really believe this is a tremendous opportunity for our collective shareholders. So that is how that went down. And then the proxy, you will see how the process was working. So I will turn it back to Glen for the CapEx.

Glen Post: Yes, as far as the CapEx, so both companies have invested heavily in our fiber networks and electronics over the last few years. Actually we will see those budgets come down some in the years ahead. The decline will be tempered by the possibility of IPTV investments, but we believe that the investments required to expand this into the service we expect can all be done within the parameters of the capital budget ranges that both companies have been spending in the last couple of years.

Phil Cusick: But in terms of the planned spend for this year, you do not expect to slow down versus your existing guidance?

Glen Post: No, it should keep right on with the existing guidance.

Ed Mueller: That is true for Qwest also.

Operator: Robert Schiffman, Credit Suisse.

Robert Schiffman: A couple of things. One is you seem a little bit hesitant to mention investment grade. I'm just wondering if you are laying out this low two times target because you're somewhat concerned the rating agencies might have a moving target. I think what a lot of bondholders would love to hear you say you want to be investment grade.

And the second thing is there's a lot of different boxes. On a going forward basis, where do you anticipate issuing debt out of?

Stewart Ewing: With respect to the investment grade, no, we are investment grade, and we want to remain investment grade. So we're not hesitant about that. And, as Glen indicated, too, there is a tremendous amount of free cash flow over and above the dividend and the capital expenditures. If you look at it, combined there is \$2.4 billion of CapEx, \$1.7 billion of dividend, and still another \$1.7 billion or so of free cash flow remaining if you look at the '09 pro forma numbers. So we think there is just real financial strength here that hopefully will allow us to remain investment grade.

With respect to where we will issue bonds out of, we expect the folks at Qwest have really done a great job of de-levering over the last few years, and we expect to continue their strategy of refinancing the debt that is down on the operating companies and paid off debt that is non-investment-grade today on the parent companies.

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Robert Schiffman: Just to be clear though, CenturyTel's plan was to issue only out of the parent company, and Qwest was to continue issuing bonds at the Qwest Corporation level. Do you anticipate issuing paper on a going forward basis at the operating company level?

Joe Euteneuer: In regards to Qwest, the philosophy has not changed. I mean we will continue to refinance the regulated debt and repay the unregulated debt. Based on the \$3.5 billion of debt that will get paid through the first quarter of 2011, our next unregulated debt payment is not due until 2014. So there's only regulated debt coming due between now and then and very little of it.

Robert Schiffman: Joe, I get that. I mean on a going forward -- on a going forward basis post-closing, what is going to be the debt issuing entities?

Joe Euteneuer: So from a structured standpoint, think about Qwest being a sister to Embarq under the parent company CenturyLink. So, therefore, the debt structure basically stays the same. It is just under a new parent, and you would continue to have -- well, we would hope that once we get through paying off some of its unregulated debt that we hit the investment criteria for the subsidiary that reports up to CenturyLink. But clearly the philosophy would still stay the same even under the new capital structure.

Robert Schiffman: So going forward we should anticipate Qwest Corp. to continue issuing debt?

Ed Mueller: That is our current expectations, Robert, but it's a year to close and we will see. But I mean that is our current expectation.

Robert Schiffman: Sorry about the so minutia, but this is what bondholders are asking. Last thing, could you comment on what you're anticipating from the rating agencies? They have been somewhat negative on the space, and I think that with this setup, which clearly looks to be investment grade, are you expecting to be put on review and having to make your case, or are you anticipating your low BBB ratings to be affirmed today?

Glen Post: We, of course, visited with the rating agencies prior to the announcement today, and at this point we don't have any further information.

Robert Schiffman: Thanks so much and great congrats. I think it's a fantastic transaction.

Operator: [Joe Stauff], Susquehanna.

Joe Stauff: Qwest has -- the three and a half converts are putable in November of this year. Would you expect to pay them down with cash, or are you going to try to refinance them? Especially in the context of continuing to pay the dividend.

Ed Mueller: The answer is yes. We will pay them down.

Joe Stauff: And then just to follow up, from a positive tax attributes perspective, I just want to clarify your former answer. Such that if the deal were to close, call it January 1, 2011, would Qwest's positive tax attributes be able -- would you guys be able to use those to reduce your cash taxes on the legacy Century earnings?

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Stewart Ewing: Yes. Going forward we expect to be able to use all of the unused NOL at the time of closing.

Joe Stauff: I'm sorry just one additional one. From a timing perspective, in terms of closing this, would you anticipate the biggest obstacle that ultimately determines the timing is the state reviews?

Glen Post: Yes. It will be a combination of the state approval process and the approval process that we will need to go through with the FCC that will probably be the last couple of approvals that we receive.

Operator: Thank you. I will now turn to call back to Glen Post for closing remarks.

Glen Post: Thank you. Just, in conclusion, we believe this is a compelling transaction for our shareholders. It is a transformational transaction for our Company. It will create a nationwide industry-leading communications company, and we are excited about the combined companies. Thank you for joining our call today, and we look forward to talking with you in the weeks ahead.

Operator: Thank you. This does conclude today's conference call. Please disconnect your lines at this time, and have a wonderful day.

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From: The Desk of Glen Post

Subject: CenturyLink announces acquisition of Qwest

Dear Colleagues,

I am very pleased to announce this morning that CenturyLink has reached an agreement to purchase Qwest through a tax free, stock-for-stock transaction, valued at \$22.4 billion. Upon close, CenturyLink will be a national, industry-leading communications company. If the companies had been combined as of December 31, 2009, we would have had approximately 50,000 employees, 5 million broadband customers, 17 million access lines, 1.4 million video customers, pro forma revenues in excess of \$19 billion and an enterprise value of approximately \$40 billion. We expect the transaction to be complete in the first half of 2011, after approvals by shareholders and regulators.

The headquarters for the combined company will remain in Monroe. Bill Owens will remain chairman of the board, I will remain chief executive officer, Stewart Ewing will remain chief financial officer and Karen Puckett will remain chief operating officer. Chris Ancell, currently Qwest's executive vice president of Business Markets Group, will lead the Business Markets Group and report to me. The remainder of the combined company's leadership team will be announced as decisions are finalized. Following the close of the transaction, the board of directors of CenturyLink will add four members from the current Qwest board, including Edward A. Mueller, Qwest's chairman and chief executive officer.

At noon Central time, I will host an audiocast and conference call for all CenturyLink employees. You will receive details on how to join that event in a separate e-mail.

CenturyLink will be an even more effective competitor as a result of this transaction, which will provide us greater scale, scope and expertise. This acquisition will also increase the diversity of our revenue, which will strengthen our company by making us less dependent on any one area of our business for revenue growth. In addition, the transaction is expected to generate synergies and efficiencies, primarily through the reduction of corporate overhead, elimination of duplicate functions and systems and increased operational efficiencies. All of these factors will better position our combined company to compete against cable and wireless substitution.

A key factor in both our past and future success is the ability of our team to take advantage of acquisition opportunities. The boards and senior management of both companies are confident that the combination of the assets and people of our two companies will create an even stronger company. This decision is a vote of confidence in CenturyLink's long history of successfully acquiring and integrating strategic assets and in the capabilities of our employees.

In addition to the decision that our headquarters will remain in Monroe, we have decided to maintain a key operational presence in Denver, including a regional headquarters, the Qwest Business Markets Group and other functions to be determined. Other organizational and operational decisions will be made over the coming months and will continue after the transaction is complete. You should look for additional information in future updates.

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This transaction will provide significant benefits for our shareholders, customers and communities, and I believe it will create new opportunities for many employees of both companies. During this period of approvals and integration, I ask that you continue to work in support of our five strategic focus areas ([hyperlink](#)). If you receive any media calls related to the transaction, please forward those calls to the appropriate person as outlined by our media policy ([hyperlink](#)). I thank all of you for your continued support and focus on providing our customers with great service and for working to ensure CenturyLink continues as a strong and successful company for years to come.

Glen

#### **Forward Looking Statements**

Except for the historical and factual information contained herein, the matters set forth in this release, including statements regarding the expected timing and 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 a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the ability of the parties to timely and successfully receive the required approvals of regulatory agencies and their respective shareholders; 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 Qwest's operations into CenturyLink will be greater than expected; the ability of the combined company to retain and hire key personnel; the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the ability of the combined company to effectively adjust to changes in the communications industry and to successfully introduce new product or service offerings on a timely and cost-effective basis; any adverse developments in commercial disputes or legal proceedings; the ability of the combined company to utilize net operating losses in amounts projected; changes in our future cash requirements; and other risk factors and cautionary statements as detailed from time to time in each of CenturyLink's and Qwest's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance that the proposed acquisition will in fact be consummated. 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 acquisition or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, CenturyLink and Qwest undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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**Additional Information**

CenturyLink and Qwest plan to file a joint proxy statement/prospectus with the SEC. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about CenturyLink and Qwest, 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 will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, by directing a request to CenturyLink, 100 CenturyLink Drive, Monroe, Louisiana 71203, Attention: Corporate Secretary, or to Qwest, 1801 California Street, Denver, Colorado 80202, Attention: Shareholder Relations, 51st Floor. The respective directors and executive officers of CenturyLink and Qwest and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyLink's directors and executive officers is available in its proxy statement filed with the SEC by CenturyLink on April 7, 2010, and information regarding Qwest directors and executive officers is available in its proxy statement filed with the SEC by Qwest on March 17, 2010. 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 will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. 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.

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**CenturyLink and Qwest to Merge in a Tax-Free, Stock-for-Stock Transaction**

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*Summary Key Messages*

**Upon completion of the transaction, CenturyLink will become a national, industry-leading communications company whose enterprise business will be a significant contributor to its growth which, along with the consumer business, will allow it to be able to offer innovative broadband products and services over advanced networks.**

1. The combination creates a robust, national 173,000-mile fiber network.
2. The combined company will have the national breadth and local depth to provide a compelling array of broadband products and services including high speed Internet, video entertainment, data hosting and managed services, as well as fiber to cell tower connectivity and other high bandwidth services.
3. The combination, which would have had pro forma 2009 revenues of \$19.8 billion, is expected to be immediately accretive to free cash flow per share (excluding integration costs) and will strengthen the sustainability of CenturyLink's dividend while materially lowering the Company's payout ratio.
4. The transaction is expected to generate annual operational cost synergies of approximately \$575 million, which are expected to be fully realized three to five years following closing. The transaction also is expected to generate annual capital expenditure synergies of approximately \$50 million, within the first two years after close.
5. The combination creates a strong employee base with similar customer-focused cultures, committed to providing quality service and being the broadband provider of choice to all customer segments.

*Transaction Facts*

- The acquisition of Qwest will be achieved through a tax free, stock-for-stock transaction, valued at \$22.4 billion, including the assumption of \$11.8 billion of Qwest net debt outstanding as of December 31, 2009. Based on the closing stock price of CenturyLink on April 21, 2010, the consideration to be received by Qwest shareholders would be equivalent to \$6.02 of CenturyLink stock.
  - Qwest shareholders will benefit from an immediate premium for their shares, an increase of approximately 50 percent in the annual dividend, and the opportunity to participate in the upside potential of the combined company through their ownership of CenturyLink stock.
  - The corporate headquarters of the company will remain in Monroe, La. The company also will maintain a key operational presence in Denver, including a regional headquarters, the Qwest Business Markets Group, as well as other functions to be determined.
  - The combined company's senior leadership team is expected to be comprised of executives from both CenturyLink and Qwest, of which the following are being announced today.
    - William A. Owens will be non-executive chairman of the board
    - Glen F. Post III will be chief executive officer and president
    - R. Stewart Ewing Jr. will be chief financial officer
    - Karen A. Puckett will be chief operating officer
    - Christopher K. Ancell will be president of business markets group
-

- Following the close of the transaction, the board of directors of CenturyLink will add four members from the current Qwest board, including Edward A. Mueller, Qwest's chairman and chief executive officer.
- Since 2000, CenturyLink has achieved the following:
  - Acquisition of EMBARQ – 7.5 million access lines, 2.1 million BB, 450K video
  - Five additional wireline acquisitions, totaling more than two million access lines
  - Fiber assets acquired in 2003 and 2005
- The transaction is subject to approval by both companies' shareholders as well as regulatory approvals, including expiration or termination of the applicable waiting period under the Hart Scott Rodino Antitrust Improvements Act, as well as approvals from the Federal Communications Commission and certain state public service commissions, along with other customary closing conditions.
- We anticipate that the transaction will close in the first half of 2011.

### ***Detailed Messages***

#### ***1. The combination creates a robust, national, 173,000-mile fiber network.***

- The combined company will provide innovative customer solutions across the nation:
  - CenturyLink's and Qwest's fiber-optic networks span the United States from coast-to-coast.
  - CenturyLink's local-service network operates in 33 states.
  - Qwest's local-service network operates in 14 mostly Western states.
  - The companies have complementary local exchange footprints in 10 states.
  - CenturyLink will now provide voice and advanced telecom services in four additional states: Arizona, Utah, North Dakota and South Dakota.
- We will continue to deliver strategic and customized product solutions to business, wholesale, and government customers throughout the nation with Qwest's significant national fiber-optic network and data centers and CenturyLink's national core network.
- We will have approximately 173,000 route miles of fiber (126,000 is local/regional and 47,000 is national/core).
- Our combined local and national network assets will provide cost efficiencies and revenue opportunities.
- Our integrated fiber-optic network will be capable of delivering transport speeds of up to 40 Gbps.
  - The Qwest nationwide fiber-optic network is capable of delivering transport speeds of up to 40 Gbps and is expected to reach 100 Gbps in 2010.
  - The CenturyLink fiber-optic network is capable of delivering transport speeds of up to 40 Gbps.

#### ***2. The combined company will have the national breadth and local depth to provide a compelling array of broadband products and services including high speed Internet, video entertainment, data hosting and managed services, as well as fiber to cell tower connectivity and other high bandwidth services.***

- CenturyLink will provide local, long-distance, data, high-speed internet, entertainment and wireless services across 37 states and increased scale across the country by combining CenturyLink's and Qwest's local and national networks.
-

- Due to increased scale, financial strength, diversity of revenue and stronger national network, the combined company will be better positioned to compete against cable companies and technology substitution within our local regions and against other national telecom carriers for Business customers (including government) and Wholesale customers.

**3. The combination, which would have had pro forma 2009 revenues of \$19.8 billion, is expected to be immediately accretive to free cash flow per share (excluding integration costs) and will strengthen the sustainability of CenturyLink's dividend while materially lowering the Company's payout ratio.**

- No new financing or refinancing is required as a result of this transaction.
- Both companies currently maintain a disciplined approach to financial goals and performance, and the combined company would expect to do so going forward.
- Post closing, CenturyLink expects to continue its current dividend for shareholders of the combined company, subject to Board approval.
- Payout ratio of the combined company's free cash flow is expected to improve significantly from CenturyLink's current level.
- We believe the combined company's sound capital structure (strong balance sheet), and significant free cash flow generation will support its ability to take advantage of opportunities that may arise, while continuing to invest its business, reduce indebtedness over time and return substantial capital to shareholders.

**4. The transaction is expected to generate annual operational cost synergies of approximately \$575 million, which are expected to be fully realized three to five years following closing. The transaction also is expected to generate annual capital expenditure synergies of approximately \$50 million, within the first two years after close.**

- Synergies will be achieved primarily through the reduction of corporate overhead, elimination of duplicate functions and systems and increased operational efficiencies.
- Based on anticipated full run-rate synergies and operating results for the 12 months ended December 31, 2009, the combined company would have had:
  - Pro forma revenue of \$19.8 billion
  - Pro forma EBITDA of approximately \$8.2 billion
  - Pro forma net leverage of 2.2X EBITDA, including full run rate synergies
  - Pro forma free cash flow of approximately \$3.4 billion
- Based on current expectations, CenturyLink estimates that it will incur approximately \$650 to \$800 million of operating costs and approximately \$150 to \$200 million of one-time capital costs to achieve these operational synergies.

**5. The combination creates a strong employee base with similar customer-focused cultures, committed to providing quality service and being the broadband provider of choice to all customer segments.**

- Our region based, local operating model ensures the customer is at the center of everything we do, driving accountability for the relationship as close to the customer as possible. Our marketing approach also is targeted directly to the customer.
  - As of December 31, 2009, the two companies combined had approximately 50,000 employees.
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## Forward Looking Statements

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CenturyLink™

Qwest 

## CenturyLink & Qwest Communications Creating a National, Industry-Leading Communications Company



### Forward Looking Statements

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Except for the historical and factual information contained herein, the matters set forth on this website, including statements regarding the expected timing and 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 a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the ability of the parties to timely and successfully receive the required approvals of regulatory agencies and their respective shareholders; 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 Qwest's operations into CenturyLink will be greater than expected; the ability of the combined company to retain and hire key personnel; the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the ability of the combined company to effectively adjust to changes in the communications industry and to successfully introduce new product or service offerings on a timely and cost-effective

basis; any adverse developments in commercial disputes or legal proceedings; the ability of the combined company to utilize net operating losses in amounts projected; changes in our future cash requirements; and other risk factors and cautionary statements as detailed from time to time in each of CenturyLink's and Qwest's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance that the proposed acquisition will in fact be consummated. 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 acquisition or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of today's date. Unless legally required, CenturyLink and Qwest undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

## **Additional Information**

CenturyLink and Qwest plan to file a joint proxy statement/prospectus with the SEC. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about CenturyLink and Qwest, 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 will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, by directing a request to CenturyLink, 100 CenturyLink Drive, Monroe, Louisiana 71203, Attention: Corporate Secretary, or to Qwest, 1801 California Street, Denver, Colorado 80202, Attention: Shareholder Relations, 51st Floor. The respective directors and executive officers of CenturyLink and Qwest and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyLink's directors and executive officers is available in its proxy statement filed with the SEC by CenturyLink on April 7, 2010, and information regarding Qwest directors and executive officers is available in its proxy statement filed with the SEC by Qwest on March 17, 2010. 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 will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. 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.

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CenturyLink™



## CenturyLink & Qwest Communications Creating a National, Industry-Leading Communications Company



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#### Investor Conference Call

April 22, 2010 9:30am EDT



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### A message from Glen F. Post III

"We believe the combination of CenturyLink's and Qwest's employees, assets and service areas will provide us greater scale, scope and expertise and will provide significant benefits for shareholders, customers and our communities. This combination will enhance our ability to deploy innovative IP products and high-bandwidth services to business customers, expand availability and speed to consumers, and offer superior, differentiated video products."

#### Glen F. Post III

Chief Executive Officer and President, CenturyLink

### **A message from Edward A. Mueller**

"This transaction is compelling for our shareholders, who will benefit from an immediate premium for their shares, an increase of approximately 50 percent in the annual dividend, and the opportunity to participate in the upside potential of the combined company through their ownership of CenturyLink stock. We look forward to becoming part of a larger company with a strong financial profile, an industry-leading local and national network, and a shared commitment to customers, employees, communities and shareholders. We also look forward to maintaining a key presence in Denver."

**Edward A. Mueller**

Chairman and Chief Executive Officer, Qwest

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# About the Transaction

[Home](#) > About the Transaction

Upon completion of the transaction, CenturyLink will become a national, industry-leading communications company whose enterprise business will be a significant contributor to its growth which, along with the consumer business, will allow it to offer innovative broadband products and services over its advanced networks.

## Frequently Asked Questions

- [\*What are the key transaction terms?\*](#)
- [\*What will the combined company's network look like?\*](#)
- [\*Why is this transaction compelling for customers?\*](#)
- [\*Why is this transaction compelling for the companies and their shareholders?\*](#)
- [\*What synergies will the combined company achieve?\*](#)
- [\*Do the companies share a similar culture? How many employees will the combined company have?\*](#)



### What are the key transaction terms?

- CenturyLink and Qwest will merge through a tax free, stock-for-stock transaction, valued at \$22.4 billion, including the assumption of \$11.8 billion of Qwest net debt outstanding as of December 31, 2009. Based on the closing stock price of CenturyLink on April 21, 2010, the per share consideration to be received by Qwest shareholders would be equivalent to \$6.02 of CenturyLink stock.
  - The corporate headquarters of the company will remain in Monroe, La. The company also will maintain a key operational presence in Denver, including a regional headquarters, the Qwest Business Markets Group, as well as other functions to be determined.
  - The combined company's senior leadership team is expected to be comprised of executives from both CenturyLink and Qwest, of which the following are being announced today:
-

- William A. Owens will be chairman of the board
  - Glen F. Post III will be chief executive officer and president
  - R. Stewart Ewing Jr. will be chief financial officer
  - Karen A. Puckett will be chief operating officer
  - Christopher K. Ancell will be president of business markets group
- Following the close of the transaction, the board of directors of CenturyLink will add four members from the current Qwest board, including Edward A. Mueller, Qwest's chairman and chief executive officer.
- Since 2000, CenturyLink has achieved the following:
  - Acquisition of EMBARQ – 7.5 million access lines, 2.1 million BB, 450K video
  - Five additional wireline acquisitions, totaling more than two million access lines
  - Fiber assets acquired in 2003 and 2005
- The transaction is subject to approval by both companies' shareholders as well as regulatory approvals, including expiration or termination of the applicable waiting period under the Hart Scott Rodino Antitrust Improvements Act, as well as approvals from the Federal Communications Commission and certain state public service commissions, along with other customary closing conditions.
- We anticipate that the transaction will close in the first half of 2011.



#### **What will the combined company's network look like?**

- The combination creates a robust, national 173,000-mile fiber network (126,000 is local/regional and 47,000 is national/core).
- The combined company will provide innovative customer solutions across the nation:
  - CenturyLink's and Qwest's fiber-optic networks span the United States from coast-to-coast.
  - CenturyLink's local-service network operates in 33 states.
  - Qwest's local-service network operates in 14 mostly Western states.
  - The companies have complementary local exchange footprints in 10 states.
  - CenturyLink will now provide voice and advanced telecom services in four additional states: Arizona, Utah, North Dakota and South Dakota.
- We will continue to deliver strategic and customized product solutions to business, wholesale, and government customers throughout the nation with Qwest's significant national fiber-optic network and data centers and CenturyLink's national core network.
- Our combined local and national network assets will provide cost efficiencies and revenue opportunities.
- Our integrated fiber-optic network will be capable of delivering transport speeds of up to 40 Gbps.
  - The Qwest nationwide fiber-optic network is capable of delivering transport speeds of up to 40 Gbps and is expected to reach 100 Gbps in 2010.
  - The CenturyLink fiber-optic network is capable of delivering transport speeds of up to 40 Gbps.



#### **Why is this transaction compelling for customers?**

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- The combined company will have the national breadth and local depth to provide a compelling array of broadband products and services including high speed Internet, video entertainment, data hosting and managed services, as well as fiber to cell tower connectivity and other high bandwidth services.
- CenturyLink will provide local, long-distance, data, high-speed internet, entertainment and wireless services across 37 states and increased scale across the country by combining CenturyLink's and Qwest's local and national networks.
- Due to increased scale, financial strength, diversity of revenue and stronger national network, the combined company will be better positioned to compete against cable companies and technology substitution within our local regions and against other national telecom carriers for Business customers (including government) and Wholesale customers.



#### **Why is this transaction compelling for the companies and their shareholders?**

- CenturyLink shareholders will benefit through their investment in a company that has greater financial resources and flexibility, including a more diversified revenue base and an enhanced competitive position.
- Qwest shareholders will benefit from an immediate premium for their shares, an increase of approximately 50 percent in the annual dividend, and the opportunity to participate in the upside potential of the combined company through their ownership of CenturyLink stock.
- The combination, which would have had pro forma 2009 revenues of \$19.8 billion, is expected to be immediately accretive to free cash flow per share (excluding integration costs) and will strengthen the sustainability of CenturyLink's dividend while materially lowering the Company's payout ratio.
- Both companies currently maintain a disciplined approach to financial goals and performance, and the combined company would expect to do so going forward.
- The combined company's sound capital structure and significant free cash flow generation is expected to support its ability to take advantage of opportunities that may arise, while continuing to invest in its business, reduce indebtedness over time and return substantial capital to shareholders.



#### **What synergies will the combined company achieve?**

- The transaction is expected to generate annual operating cost synergies of approximately \$575 million, which are expected to be fully realized three to five years following closing. The transaction also is expected to generate annual capital expenditure synergies of approximately \$50 million, within the first two years after close.
  - Synergies will be achieved primarily through the reduction of corporate overhead, elimination of duplicate functions and systems and increased operational efficiencies.
  - Based on anticipated full run-rate synergies and operating results for the 12 months ended December 31, 2009, the combined company would have had:
    - Pro forma revenue of \$19.8 billion
-



- Pro forma EBITDA of approximately \$8.2 billion
  - Pro forma net leverage of 2.2X EBITDA, including full run rate synergies
  - Pro forma free cash flow of approximately \$3.4 billion
- Based on current expectations, CenturyLink estimates that it will incur approximately \$650 to \$800 million of operating costs and approximately \$150 to \$200 million of one-time capital costs to achieve these operational synergies.



**Do the companies share a similar culture? How many employees will the combined company have?**

- The combination creates a strong employee base with similar customer-focused cultures, committed to providing quality service and being the broadband provider of choice to all customer segments.
  - Our region based, local operating model ensures the customer is at the center of everything we do, driving accountability for the relationship as close to the customer as possible. Our marketing approach also is targeted directly to the customer.
  - As of December 31, 2009, the two companies combined had approximately 50,000 employees.
-

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CenturyLink™



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**Investor Conference Call**  
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### A message from Glen F. Post III

"We believe the combination of CenturyLink's and Qwest's employees, assets and service areas will provide us greater scale, scope and expertise and will provide significant benefits for shareholders, customers and our communities. This combination will enhance our ability to deploy innovative IP products and high-bandwidth services to business customers, expand availability and speed to consumers, and offer superior, differentiated video products."

**Glen F. Post III**

Chief Executive Officer and President, CenturyLink

## A message from Edward A. Mueller

"This transaction is compelling for our shareholders, who will benefit from an immediate premium for their shares, an increase of approximately 50 percent in the annual dividend, and the opportunity to participate in the upside potential of the combined company through their ownership of CenturyLink stock. We look forward to becoming part of a larger company with a strong financial profile, an industry-leading local and national network, and a shared commitment to customers, employees, communities and shareholders. We also look forward to maintaining a key presence in Denver."

**Edward A. Mueller**

Chairman and Chief Executive Officer, Qwest

## Regulatory Information

[Home](#) > Regulatory Information

### Meeting the Public Interest

### Why This Transaction is in the Best Interests of Customers, Communities and States

Following the close of the transaction, we will be *well-positioned to invest in broadband networks and to meet the needs of residential and business customers.*

The combined company will have the *national breadth and local depth* to provide *a compelling array of broadband products and services.*

*We will have the scale and stability* to be able to make the ongoing infrastructure investments needed to serve customers into the future. Additionally, no new debt is being added, and no financing or refinancing is required to complete this transaction.

### CenturyLink's Presence State-by-State

<a href="#">Alabama</a>	<a href="#">Michigan</a>	<a href="#">Oregon</a>
<a href="#">Arkansas</a>	<a href="#">Minnesota</a>	<a href="#">Pennsylvania</a>
<a href="#">California</a>	<a href="#">Mississippi</a>	<a href="#">South Carolina</a>
<a href="#">Colorado</a>	<a href="#">Missouri</a>	<a href="#">Tennessee</a>
<a href="#">Florida</a>	<a href="#">Montana</a>	<a href="#">Texas</a>
<a href="#">Georgia</a>	<a href="#">Nebraska</a>	<a href="#">Virginia</a>
<a href="#">Idaho</a>	<a href="#">New Jersey</a>	<a href="#">Washington</a>
<a href="#">Illinois</a>	<a href="#">New Mexico</a>	<a href="#">Wisconsin</a>
<a href="#">Indiana</a>	<a href="#">Nevada</a>	<a href="#">Wyoming</a>
<a href="#">Iowa</a>	<a href="#">North Carolina</a>	
<a href="#">Kansas</a>	<a href="#">Ohio</a>	
<a href="#">Louisiana</a>	<a href="#">Oklahoma</a>	

This transaction reflects a proven combination of *excellent network architecture, focused and disciplined investment, experienced management* with extensive integration experience, and the *scope, scale and resources* needed to continue meeting the growing demands of consumers.

We believe we are well-positioned to play a critical role in helping the states we operate in *achieve their broadband and economic development goals*.

## Qwest's Presence State-by-State

<a href="#">Arizona</a>	<a href="#">Nebraska</a>	<a href="#">South Dakota</a>
<a href="#">Colorado</a>	<a href="#">Minnesota</a>	<a href="#">Utah</a>
<a href="#">Idaho</a>	<a href="#">New Mexico</a>	<a href="#">Washington</a>
<a href="#">Iowa</a>	<a href="#">North Dakota</a>	<a href="#">Wyoming</a>
<a href="#">Montana</a>	<a href="#">Oregon</a>	

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## CenturyLink in Alabama



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)
- CLEC / Metro Fiber Rings

Alabama Market  
1000 Bruce Etheredge Pkwy.  
Pell City, Alabama 35128

General Manager Randy Wood  
Florida Panhandle and Gulf  
Shores Market  
19812 Underwood Road  
Foley, Alabama 36535

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### ALABAMA STATISTICAL PROFILE

Employees	500
2009 Annual Payroll	\$34,026,000
Total Investment	\$791,705,000
Access Lines	253,700
Access Lines, DSL-Enabled	93%

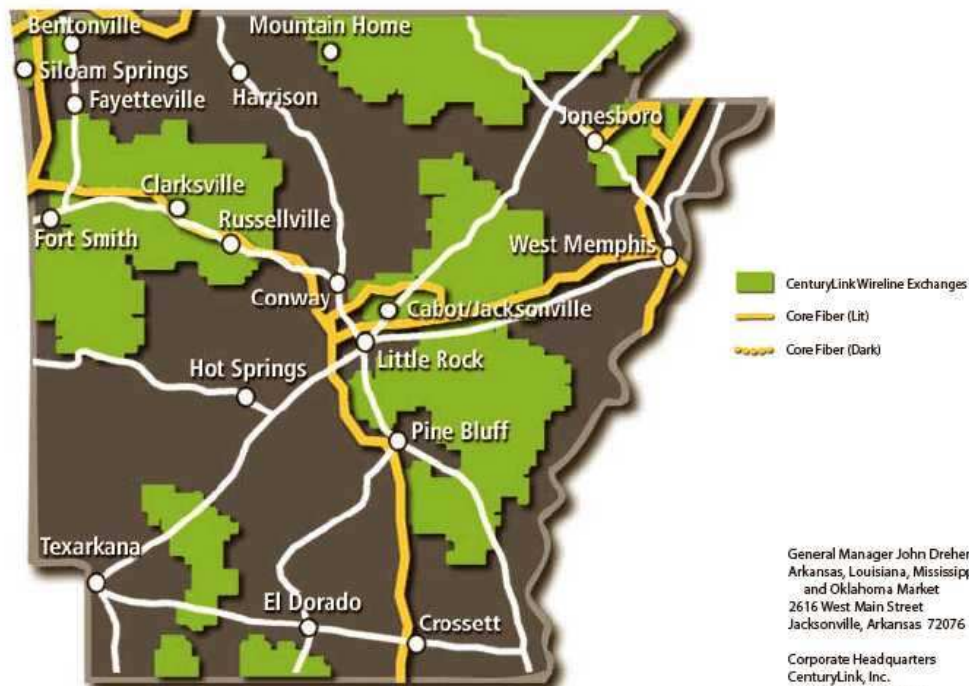
All statistics as of 12/31/09





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## CenturyLink in Arkansas



General Manager John Dreher  
Arkansas, Louisiana, Mississippi  
and Oklahoma Market  
2616 West Main Street  
Jacksonville, Arkansas 72076

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### ARKANSAS STATISTICAL PROFILE

Employees	400
2009 Annual Payroll	\$28,215,000
Total Investment	\$1,056,230,000
Access Lines	182,400
Access Lines, DSL-Enabled	92%

All statistics as of 12/31/09



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## CenturyLink in California



### CALIFORNIA STATISTICAL PROFILE

Total Investment	\$317,000
Access Lines	100

All statistics as of 12/31/09

General Manager Tim Grigar  
Washington, California and  
Oregon Market  
8102 Skansie Avenue  
Gig Harbor, Washington 98332

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
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## CenturyLink in Colorado



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

### COLORADO STATISTICAL PROFILE

Employees	130
2009 Annual Payroll	\$10,683,000
Total Investment	\$476,293,000
Access Lines	76,900
Access Lines, DSL-Enabled	80%

All statistics as of 12/31/09

General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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## CenturyLink in Florida



General Manager Randy Wood  
Florida Panhandle and Gulf  
Shores Market  
19812 Underwood Road  
Foley, Alabama 36535

General Manager Eric Miller  
North Florida Market  
1313 Blair Stone Road  
Tallahassee, Florida 32301

General Manager Susan Sama  
Central Florida Market  
555 Lake Border Drive  
Apopka, Florida 32703

General Manager Erik Zimmer  
South Florida Market  
1520 Lee Street  
Fort Myers, Florida 33901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### FLORIDA STATISTICAL PROFILE

Employees	3,800
2009 Annual Payroll	\$244,784,000
Total Investment	\$5,873,248,000
Access Lines	1,351,700
Access Lines, DSL-Enabled	91%

All statistics as of 12/31/09



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## CenturyLink in Georgia



### GEORGIA STATISTICAL PROFILE

Employees	70
2009 Annual Payroll	\$5,041,000
Total Investment	\$121,823,000
Access Lines	30,100
Access Lines, DSL-Enabled	97%

All statistics as of 12/31/09.

General Manager Durand Standard  
Georgia and South Carolina  
Market  
100 Ryon Avenue  
Hinesville, Georgia 31310

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
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## CenturyLink in Idaho



General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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318.388.9000

### IDAHO STATISTICAL PROFILE

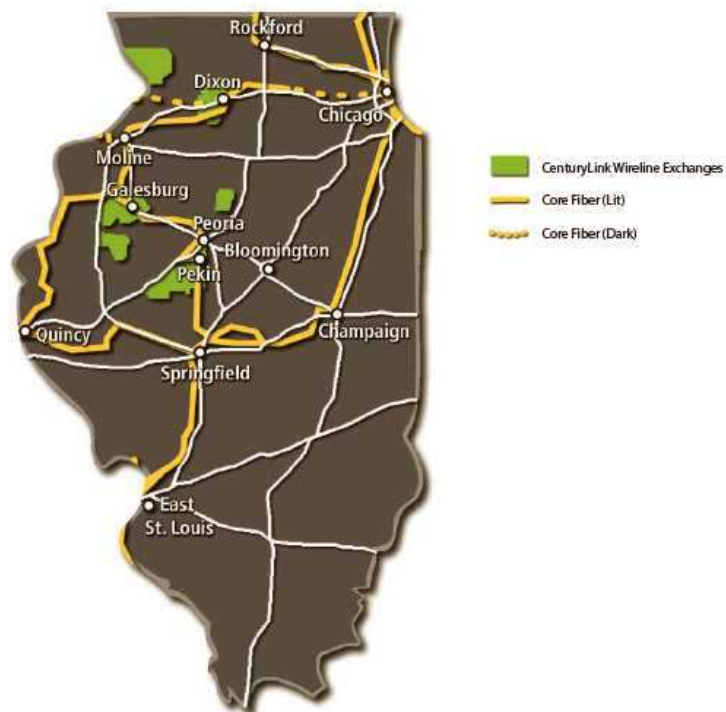
Employees	7
2009 Annual Payroll	\$438,000
Total Investment	\$33,798,000
Access Lines	4,900
Access Lines, DSL-Enabled	68%

All statistics as of 12/31/09



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## CenturyLink in Illinois



### ILLINOIS STATISTICAL PROFILE

Employees	130
2009 Annual Payroll	\$8,533,000
Total Investment	\$217,177,000
Access Lines	49,300
Access Lines, DSL-Enabled	95%

All statistics as of 12/31/09

General Manager Ty Lemaster  
Illinois Market  
200 Enterprise Drive  
Pekin, Illinois 61554

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
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CenturyLink™

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## CenturyLink in Indiana



General Manager Mike Brill  
Indiana and Michigan Market  
1401 West Center Street  
Warsaw, Indiana 46580

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### INDIANA STATISTICAL PROFILE

Employees	360
2009 Annual Payroll	\$23,515,000
Total Investment	\$714,337,000
Access Lines	185,600
Access Lines, DSL-Enabled	86%

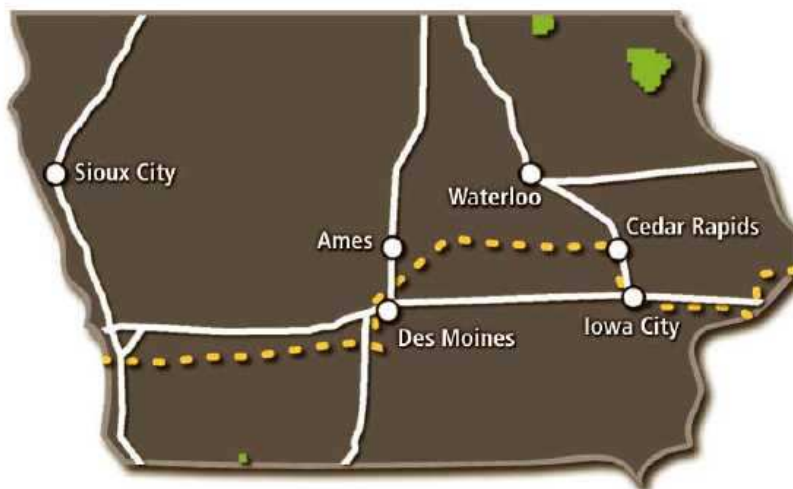
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## CenturyLink in Iowa



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- - - Core Fiber (Dark)

General Manager Bob Brown  
 Wisconsin, Iowa, Michigan (Upper Peninsula) and Minnesota  
 Market  
 333 North Front Street  
 La Crosse, Wisconsin 54602

Corporate Headquarters  
 CenturyLink, Inc.  
 100 CenturyLink Drive  
 Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
 318.388.9000

### IOWA STATISTICAL PROFILE

Employees	6
2009 Annual Payroll	\$411,000
Total Investment	\$7,454,000
Access Lines	1,500
Access Lines, DSL-Enabled	84%

All statistics as of 12/31/09



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## CenturyLink in Kansas



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)
- CLEC / Metro Fiber Rings

General Manager Bill Fallin  
Southern Missouri and  
Kansas Market  
211 South Third Street  
Branson, Missouri 65616

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### KANSAS STATISTICAL PROFILE

Employees	2,300
2009 Annual Payroll	\$303,727,000
Total Investment	\$876,821,000
Access Lines	84,100
Access Lines, DSL-Enabled	83%

All statistics as of 12/31/09



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# CenturyLink in Louisiana



General Manager John Dreher  
Arkansas, Louisiana, Mississippi  
and Oklahoma Market  
2616 West Main Street  
Jacksonville, Arkansas 72076

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

## LOUISIANA STATISTICAL PROFILE

Employees	1,830
2009 Annual Payroll	\$127,778,000
Total Investment	\$881,026,000
Access Lines	75,600
Access Lines, DSL-Enabled	92%

All statistics as of 12/31/09





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# CenturyLink in Michigan



General Manager Mike Brill  
Indiana and Michigan Market  
1401 West Center Street  
Warsaw, Indiana 46580

General Manager Bob Brown  
Wisconsin, Iowa, Michigan (Upper Peninsula) and Minnesota Market  
333 North Front Street  
La Crosse, Wisconsin 54602

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

## MICHIGAN STATISTICAL PROFILE

Employees	110
2009 Annual Payroll	\$7,922,000
Total Investment	\$455,481,000
Access Lines	80,900
Access Lines, DSL-Enabled	87%

All statistics as of 12/31/09



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## CenturyLink in Mississippi



General Manager John Dreher  
Arkansas, Louisiana, Mississippi  
and Oklahoma Market  
2616 West Main Street  
Jacksonville, Arkansas 72076

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### MISSISSIPPI STATISTICAL PROFILE

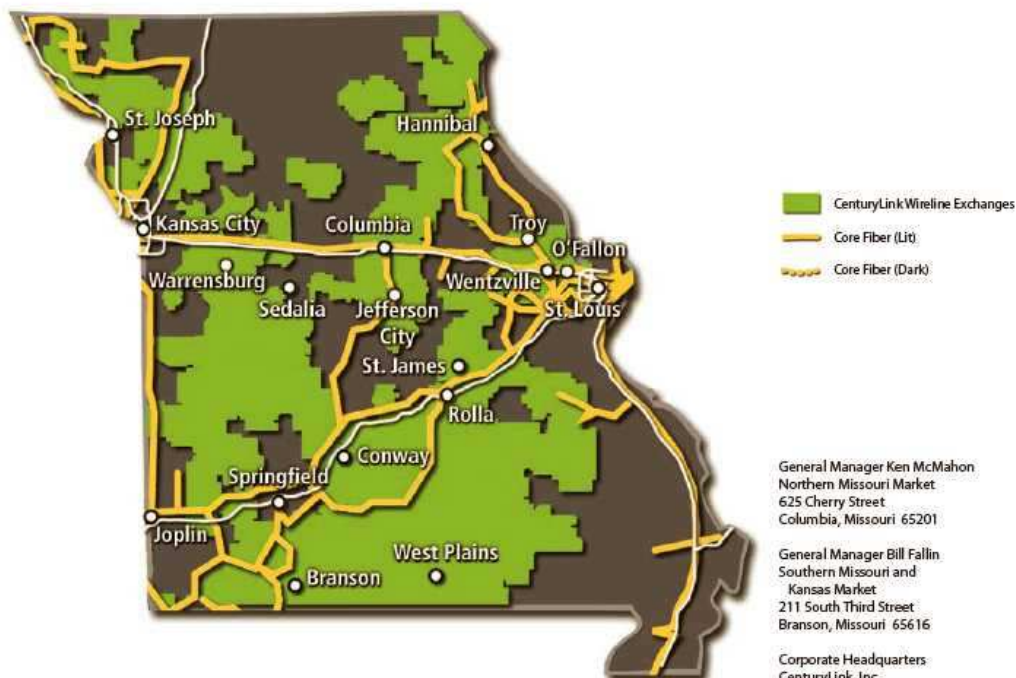
Employees	30
2009 Annual Payroll	\$1,918,000
Total Investment	\$109,010,000
Access Lines	20,000
Access Lines, DSL-Enabled	98%

All statistics as of 12/31/09



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## CenturyLink in Missouri



General Manager Ken McMahon  
Northern Missouri Market  
625 Cherry Street  
Columbia, Missouri 65201

General Manager Bill Fallin  
Southern Missouri and  
Kansas Market  
211 South Third Street  
Branson, Missouri 65616

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### MISSOURI STATISTICAL PROFILE

Employees	1,250
2009 Annual Payroll	\$83,432,000
Total Investment	\$2,019,676,000
Access Lines	547,600
Access Lines, DSL-Enabled	87%

All statistics as of 12/31/09



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## CenturyLink in Montana



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

### MONTANA STATISTICAL PROFILE

Employees	90
2009 Annual Payroll	\$5,737,000
Total Investment	\$173,224,000
Access Lines	49,800
Access Lines, DSL-Enabled	94%

All statistics as of 12/31/09

General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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## CenturyLink in Nebraska



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

### NEBRASKA STATISTICAL PROFILE

Employees	20
2009 Annual Payroll	\$1,477,000
Total Investment	\$86,499,000
Access Lines	17,500
Access Lines, DSL-Enabled	85%

All statistics as of 12/31/09.

General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

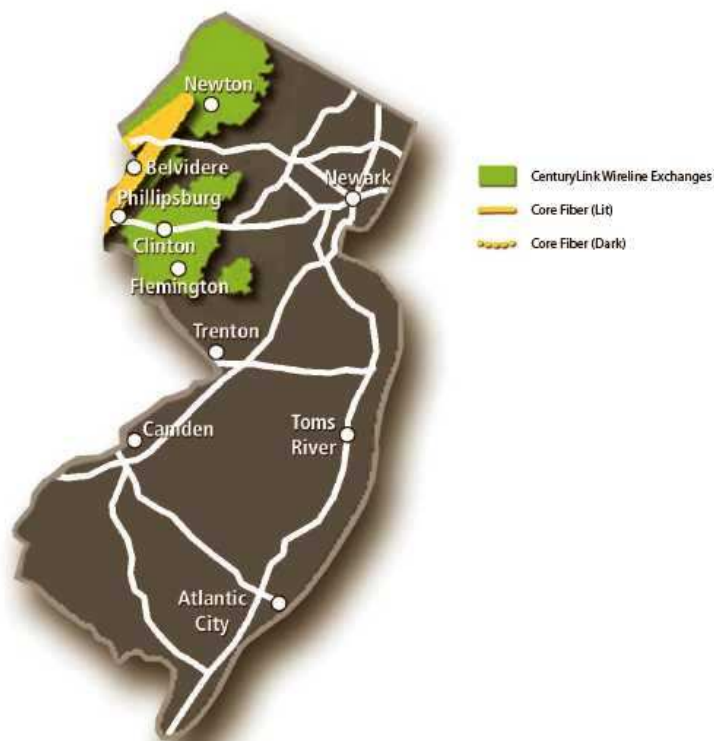
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318.388.9000





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## CenturyLink in New Jersey



### NEW JERSEY STATISTICAL PROFILE

Employees	160
2009 Annual Payroll	\$13,450,000
Total Investment	\$475,684,000
Access Lines	144,700
Access Lines, DSL-Enabled	95%

All statistics as of 12/31/09

General Manager Gerald Piper  
Pennsylvania and  
New Jersey Market  
1201 Walnut Bottom Road  
Carlisle, Pennsylvania 17013

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

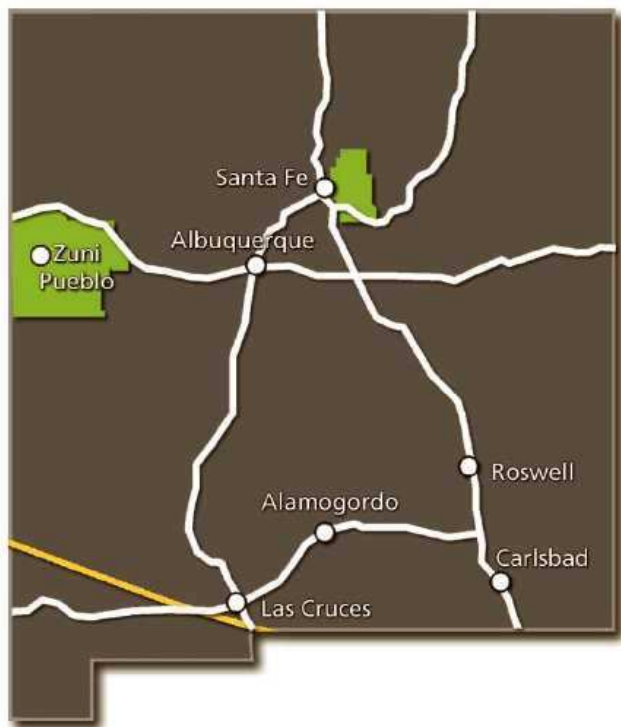
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CenturyLink in  
New Mexico



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

NEW MEXICO STATISTICAL PROFILE

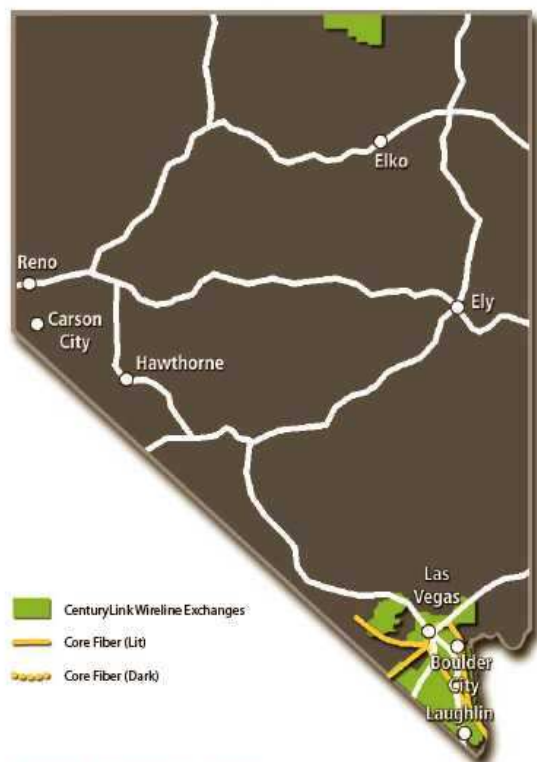
Employees	10
2009 Annual Payroll	\$651,000
Total Investment	\$32,755,000
Access Lines	4,700

All statistics as of 12/31/09



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## CenturyLink in Nevada



### NEVADA STATISTICAL PROFILE

Employees	850
2009 Annual Payroll	\$70,832,000
Total Investment	\$1,803,645,000
Access Lines	522,700
Access Lines, DSL-Enabled	94%

All statistics as of 12/31/09

General Manager Jeff Oberschelp  
Nevada Market  
330 South Valley View Boulevard  
Las Vegas, Nevada 89107

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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## CenturyLink in North Carolina



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

General Manager Lottie Ryans  
Tennessee and Western North  
Carolina Market  
101 North Roan Street  
Johnson City, Tennessee 37601

General Manager Kevin McCarter  
Central North Carolina Market  
14111 Capital Boulevard  
Wake Forest, North Carolina 27587

General Manager Frank May  
Eastern North Carolina Market  
14111 Capital Boulevard  
Wake Forest, North Carolina 27587

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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318.388.9000

### NORTH CAROLINA STATISTICAL PROFILE

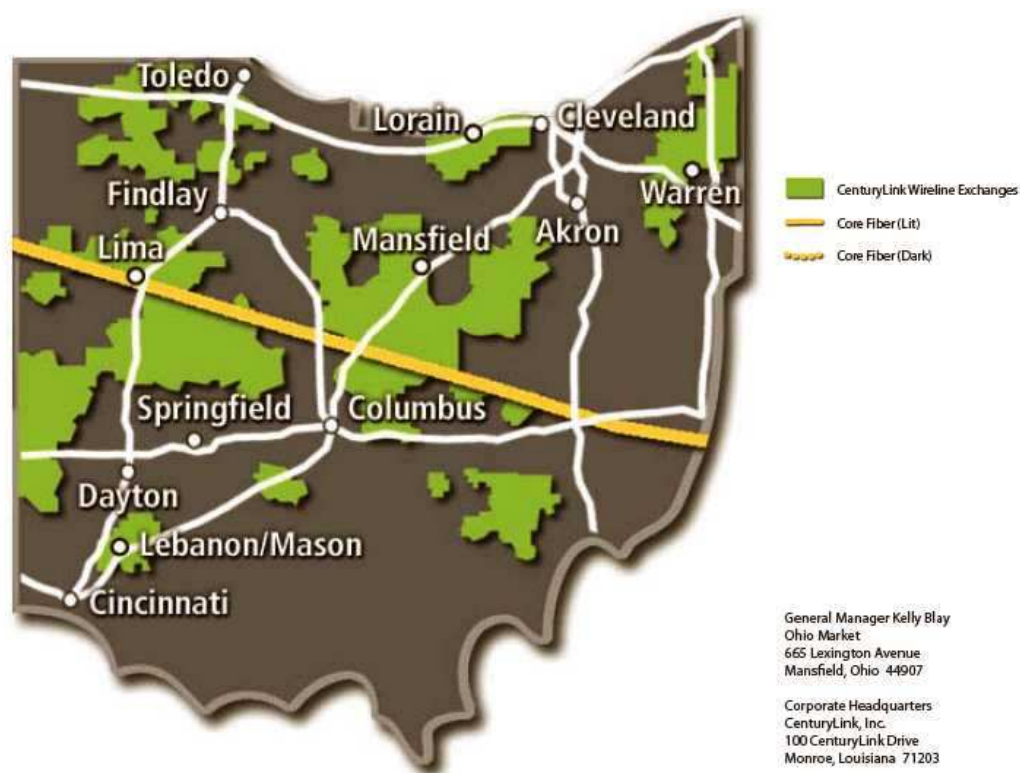
Employees	2,240
2009 Annual Payroll	\$160,520,000
Total Investment	\$3,877,957,000
Access Lines	997,300
Access Lines, DSL-Enabled	89%

All statistics as of 12/31/09



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## CenturyLink in Ohio



General Manager Kelly Blay  
Ohio Market  
665 Lexington Avenue  
Mansfield, Ohio 44907

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### OHIO STATISTICAL PROFILE

Employees	1,060
2009 Annual Payroll	\$74,093,000
Total Investment	\$1,771,571,000
Access Lines	387,800
Access Lines, DSL-Enabled	92%

All statistics as of 12/31/09



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## CenturyLink in Oklahoma



General Manager John Dreher  
Arkansas, Louisiana, Mississippi  
and Oklahoma Market  
2616 West Main Street  
Jacksonville, Arkansas 72076

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### OKLAHOMA STATISTICAL PROFILE

Employees	8
2009 Annual Payroll	\$941,000
Total Investment	\$8,114,000
Access Lines	2,200

All statistics as of 12/31/09



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## CenturyLink in Oregon



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

### OREGON STATISTICAL PROFILE

Employees	490
2009 Annual Payroll	\$25,756,000
Total Investment	\$593,264,000
Access Lines	109,100
Access Lines, DSL-Enabled	88%

All statistics as of 12/31/09

General Manager Tim Grigar  
Washington, California and  
Oregon Market  
8102 Skansie Avenue  
Gig Harbor, Washington 98332

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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## CenturyLink in Pennsylvania



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

General Manager Gerald Piper  
Pennsylvania and  
New Jersey Market  
1201 Walnut Bottom Road  
Carlisle, Pennsylvania 17013

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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318.388.9000

### PENNSYLVANIA STATISTICAL PROFILE

Employees	610
2009 Annual Payroll	\$40,869,000
Total Investment	\$967,473,000
Access Lines	271,500
Access Lines, DSL-Enabled	92%

All statistics as of 12/31/09



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## CenturyLink in South Carolina



### SOUTH CAROLINA STATISTICAL PROFILE

Employees	130
2009 Annual Payroll	\$9,313,000
Total Investment	\$287,741,000
Access Lines	75,600
Access Lines, DSL-Enabled	89%

All statistics as of 12/31/09

General Manager Durand Standard  
Georgia and South Carolina  
Market  
100 Ryon Avenue  
Hinesville, Georgia 31310

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

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## CenturyLink in Tennessee

-  CenturyLink Wireline Exchanges
-  Core Fiber (Lit)
-  Core Fiber (Dark)
-  CLEC / Metro Fiber Rings



General Manager Lottie Ryans  
Tennessee and Western North  
Carolina Market  
101 North Roan Street  
Johnson City, Tennessee 37601

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### TENNESSEE STATISTICAL PROFILE

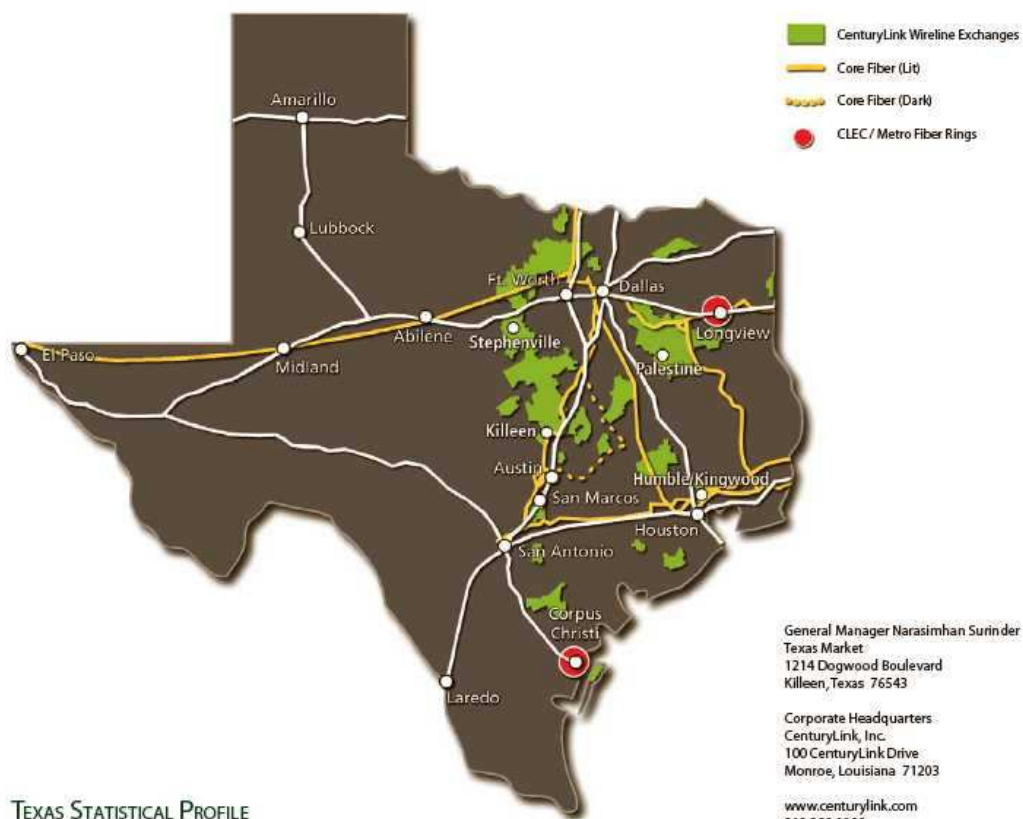
Employees	720
2009 Annual Payroll	\$47,333,000
Total Investment	\$811,916,000
Access Lines	176,100
Access Lines, DSL-Enabled	86%

All statistics as of 12/31/09



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## CenturyLink in Texas



### TEXAS STATISTICAL PROFILE

Employees	600
2009 Annual Payroll	\$50,169,000
Total Investment	\$1,468,123,000
Access Lines	303,500
Access Lines, DSL-Enabled	87%

All statistics as of 12/31/09.





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## CenturyLink in Virginia



General Manager Rondi Furgason  
Virginia Market  
417 West Main Street  
Charlottesville, Virginia 22902

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100 CenturyLink Drive  
Monroe, Louisiana 71203

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318.388.9000

### VIRGINIA STATISTICAL PROFILE

Employees	420
2009 Annual Payroll	\$30,024,000
Total Investment	\$1,151,369,000
Access Lines	333,900
Access Lines, DSL-Enabled	75%

All statistics as of 12/31/09



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## CenturyLink in Washington



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

General Manager Tim Grigar  
Washington, California and  
Oregon Market  
8102 Skansie Avenue  
Gig Harbor, Washington 98332

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### WASHINGTON STATISTICAL PROFILE

Employees	420
2009 Annual Payroll	\$30,248,000
Total Investment	\$937,825,000
Access Lines	200,000
Access Lines, DSL-Enabled	86%

All statistics as of 12/31/09



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## CenturyLink in Wisconsin



General Manager Bob Brown  
 Wisconsin, Iowa, Michigan (Upper Peninsula) and Minnesota  
 Market  
 333 North Front Street  
 La Crosse, Wisconsin 54602

Corporate Headquarters  
 CenturyLink, Inc.  
 100 CenturyLink Drive  
 Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
 318.388.9000

### WISCONSIN STATISTICAL PROFILE

Employees	1,180
2009 Annual Payroll	\$65,502,000
Total Investment	\$1,658,389,000
Access Lines	343,100
Access Lines, DSL-Enabled	92%

All statistics as of 12/31/09



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## CenturyLink in Wyoming



- CenturyLink Wireline Exchanges
- Core Fiber (Lit)
- Core Fiber (Dark)

General Manager Jeremy Ferkin  
Montana, Colorado, Idaho,  
Nebraska, New Mexico and  
Wyoming Market  
290 North Main Street  
Kalispell, Montana 59901

Corporate Headquarters  
CenturyLink, Inc.  
100 CenturyLink Drive  
Monroe, Louisiana 71203

[www.centurylink.com](http://www.centurylink.com)  
318.388.9000

### WYOMING STATISTICAL PROFILE

Employees	15
2009 Annual Payroll	\$1,058,000
Total Investment	\$52,753,000
Access Lines	11,500
Access Lines, DSL-Enabled	80%

All statistics as of 12/31/09





# Arizona



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	3,300
<b>Broadband Availability</b>	84%
<b>Access Lines</b>	1,570,900
<b>Total Investment</b>	\$194M
<b>Annual Payroll</b>	\$240M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$877,000 to benefit these nonprofits in the state:

- United Way
- Boys and Girls Clubs
- Reading Seed

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Desert Willow Elementary, Cave Creek
- Eloy Elementary School, Eloy
- Coconino High School, Flagstaff
- Coronado Elementary School, Gilbert
- Amberlea Elementary School, Phoenix
- Vail High School, Tucson



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Flagstaff
- Phoenix
- Scottsdale
- Tempe
- Tucson
- Yuma

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
Jim Campbell  
Qwest Arizona President  
20 East Thomas Road  
Phoenix AZ 85012-0000

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# Colorado



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	<b>7,900</b>
<b>Broadband Availability</b>	<b>90%</b>
<b>Access Lines</b>	<b>1,650,000</b>
<b>Total Investment</b>	<b>\$204.4M</b>
<b>Annual Payroll</b>	<b>\$763.4M</b>

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

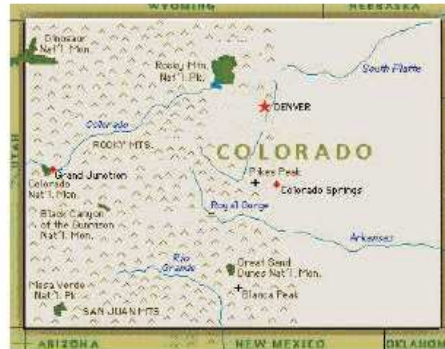
## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$4.3 million to benefit these nonprofits in the state:

- United Way
- Colorado Math & Science Center
- Denver Urban Gardens

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Blevins Jr. High School, Fort Collins
- Legacy Elementary School, Frederick
- Lake County High School, Leadville
- Burlington Elementary School, Longmont
- Singing Hills Elementary, Parker
- Fountain Intl. Magnet School, Pueblo



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

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- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Colorado Springs
- Denver
- Grand Junction
- Highlands Ranch
- Pueblo

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

**Contact:**  
**Chuck Ward**  
Qwest Colorado President  
1801 California Street  
Denver CO 80202-2658

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# Idaho



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	1,570
<b>Broadband Availability</b>	88%
<b>Access Lines</b>	353,960
<b>Total Investment</b>	\$29.4M
<b>Annual Payroll</b>	\$73M

All statistics as of 12/31/09  
Total Investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$309,000 to benefit these nonprofits in the state:

- United Way
- Boise Family YMCA
- Bonneville County Historical Society
- Log Cabin Literacy

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Collister Elementary, Boise
- Salmon High School, Salmon



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from this location in the state:

- Boise

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
Jim Schmit  
Qwest Idaho President  
999 West Main Street  
Boise ID 83702-0000





# Iowa

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	1,600
<b>Broadband Availability</b>	87%
<b>Access Lines</b>	691,065
<b>Total Investment</b>	\$45.4M
<b>Annual Payroll</b>	\$88.2M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$316,000 to benefit these nonprofits in the state:

- United Way
- Lin-Mar Community Schools
- Junior Achievement
- Children and Families of Iowa

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Perkins Academy, Des Moines
- Richardson Elementary School, Ft. Madison
- Monticello High School, Monticello
- Winterset Senior High School, Winterset



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Cedar Rapids
- Davenport
- Des Moines

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
Max Phillips  
Qwest Iowa President  
925 High Street  
Des Moines IA 50309-0000

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# Montana

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	180
<b>Broadband Availability</b>	78%
<b>Access Lines</b>	217,000
<b>Total Investment</b>	\$17.1M
<b>Annual Payroll</b>	\$14.5M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$161,000 to benefit these nonprofits in the state:

- United Way
- Montana Learning Center
- Montana Assn. for Career & Technical Education

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Belgrade Middle School, Belgrade
- Culbertson High School, Culbertson
- Ennis High School, Ennis
- Judith Gap High School, Judith Gap
- Polson High School, Polson
- Three Forks High School, Three Forks



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Billings
- Bozeman
- Helena
- Missoula

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
David Gibson  
Qwest Montana President  
441 North Park Avenue  
Helena MT 59601-0000

# Nebraska

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	1,040
<b>Broadband Availability</b>	80%
<b>Access Lines</b>	235,140
<b>Total Investment</b>	\$24M
<b>Annual Payroll</b>	\$83.3M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$349,000 to benefit these nonprofits in the state:

- United Way
- College of Saint Mary
- Girls Inc.
- Strategic Air & Space Museum

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Cather Elementary School, Millard
- Morton Middle School, Omaha
- Plattsmouth Community School, Plattsmouth
- Ralston Public School, Ralston
- Wood River Public School, Wood River



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Lincoln
- Omaha

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
Rex Fisher  
Qwest Nebraska President  
1314 Douglas Street  
Omaha NE 68102-1816

# Minnesota

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	3,375
<b>Broadband Availability</b>	88%
<b>Access Lines</b>	1,258,110
<b>Total Investment</b>	\$122.4M
<b>Annual Payroll</b>	\$239M

All statistics as of 12/31/09  
Total Investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$839,000 to benefit these nonprofits in the state:

- United Way
- Colorado Math & Science Center
- Denver Urban Gardens

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Nettleton Elementary, Duluth
- Southwest Elementary, Grand Rapids
- Le Sueur Henderson High School, Le Sueur
- Intermediate District 287, Robbinsdale
- Oak Park Elementary, Stillwater
- Winona Senior High School, Winona



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Duluth
- Minneapolis/St. Paul
- Owatonna
- Rochester
- St. Cloud

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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John Stanoch  
Qwest Minnesota President  
200 South 5th Street  
Minneapolis MN 55402-0000





# New Mexico

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	720
<b>Broadband Availability</b>	88%
<b>Access Lines</b>	590,140
<b>Total Investment</b>	\$90M
<b>Annual Payroll</b>	\$56.4M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$274,000 to benefit these nonprofits in the state:

- United Way
- Junior Achievement
- New Mexico Coalition of Literacy
- Youth Works

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Desert Pride Academy, Anthony
- Edgewood Elementary School, Edgewood
- New Mexico's Innovative Digital Education and Learning (IDEAL-NM)



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Albuquerque
- Gallup
- Lamy
- Santa Fe

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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Qwest New Mexico President  
400 Tijeras Avenue NW  
Albuquerque NM 87102-0000

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# North Dakota

## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	170
<b>Broadband Availability</b>	83%
<b>Access Lines</b>	118,655
<b>Total Investment</b>	\$10.3M
<b>Annual Payroll</b>	\$11.8M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$135,000 to benefit these nonprofits in the state:

- United Way
- North Dakota Technology Student Association
- South Central High School
- Junior Achievement

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Bottineau Junior High, Bottineau
- Centennial Elementary, Bismarck
- Edgeley Public School, Edgeley
- Grafton Central Middle School, Grafton
- Hebron Elementary School, Hebron
- New 8 Public School, Williston



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Bismarck
- Fargo

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

**Contact:**  
Kent Blickensderfer  
Qwest North Dakota Vice President  
220 North 5th Street  
Bismarck ND 58501-0000

# Oregon



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	825
<b>Broadband Availability</b>	88%
<b>Access Lines</b>	802,630
<b>Total Investment</b>	\$50.4M
<b>Annual Payroll</b>	\$70.1M

All statistics as of 12/31/09  
Total Investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$424,000 to benefit these nonprofits in the state:

- United Way
- Family Building Blocks
- Portland Schools Foundation
- Youth Employment Institute

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Walker Elementary School, Ashland
- La Pine Middle School, La Pine
- Sunridge Middle School, Pendleton
- Centennial Elementary School, Springfield



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Eugene
- Medford
- Portland
- Salem

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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Qwest Oregon President  
421 SW Oak Street  
Portland OR 97204-0000

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# South Dakota



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	400
<b>Broadband Availability</b>	79%
<b>Access Lines</b>	120,040
<b>Total Investment</b>	\$12.6M
<b>Annual Payroll</b>	\$18.1M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's  
local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$4.3 million to benefit these nonprofits in the state:

- United Way
- Junior Achievement
- Washington Pavilion
- 4-H Foundation

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Corral Drive Elementary School, Rapid City
- John Harris Elementary, Sioux Falls
- Tea Area School District, Tea
- Viborg School District, Viborg
- Wolsey-Wessington School District, Wolsey



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from this location in the state:

- Sioux Falls

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

Contact:  
**Max Phillips**  
Qwest South Dakota President  
125 South Dakota Avenue  
Sioux Falls SD 57104-6403

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# Utah



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

Employees	2,300
Broadband Availability	90%
Access Lines	680,275
Total Investment	\$77.3M
Annual Payroll	\$134.7M

All statistics as of 12/31/09  
Total Investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$494,000 to benefit these nonprofits in the state:

- United Way
- Utah Science Center
- Reach Out and Read

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Box Elder High School, Brigham City
- Farmington Junior High, Farmington
- Hurricane Intermediate School, Hurricane
- Orem High School, Orem
- Nibley Park Elementary, Salt Lake City
- Tooele High School, Tooele



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Provo
- Salt Lake City

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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Qwest Utah President  
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# Washington



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	2,640
<b>Broadband Availability</b>	88%
<b>Access Lines</b>	1,450,160
<b>Total Investment</b>	\$113M
<b>Annual Payroll</b>	\$213.5M

All statistics as of 12/31/09  
Total investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$964,000 to benefit these nonprofits in the state:

- Fort Vancouver Regional Library Association
- Gray's Harbor Community Foundation
- Boys and Girls Clubs

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Cascade Middle School, Auburn
- Valley View Elementary, Ellensburg
- Coweeman Middle School, Kelso
- Lidgerwood Elementary, Spokane
- Waterville Elementary School, Waterville



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Othello
- Quincy
- Seattle
- Spokane
- Tukwila
- Yakima

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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Qwest Washington President  
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# Wyoming



## Qwest Services

- Qwest® High-Speed Internet
- Verizon Wireless®
- DIRECTV®
- Digital Voice (Local and Long Distance)

## State Profile

<b>Employees</b>	190
<b>Broadband Availability</b>	81%
<b>Access Lines</b>	158,300
<b>Total Investment</b>	\$16.7 M
<b>Annual Payroll</b>	\$14.9 M

All statistics as of 12/31/09  
Total Investment includes real estate  
Broadband availability is in Qwest's local service area

## Qwest in the Community

The Qwest Foundation is dedicated to enriching the lives of customers and the communities we serve. In 2009, Qwest, the Qwest Foundation and Qwest employees brought more than \$93,000 to benefit these nonprofits in the state:

- United Way
- Wyoming Community Foundation
- Raising Readers
- Boys and Girls Clubs

Qwest Teachers & Technology is a program that awards grants to encourage K-12 teachers to use technology in their classrooms. Recent recipients include educators at these schools:

- Riverside High School, Basin
- Greybull Middle School, Greybull
- Cloud Peak Middle School, Manderson
- Wheatland High School, Wheatland



## Qwest Fiber-Optic Network

Qwest's fiber-optic network, designed with the latest advances in technology for speed and efficiency, spans more than 173,000 route miles globally, enabling new products and services that benefit businesses and consumers.

- Top 10 autonomous network
- 17 CyberCenter hosting facilities
- Multi-protocol label switching (MPLS) fast reroute
- More than 1,800 transport access points of presence (PoPs), including 30 TeraPoPs

The Qwest network has access points from these locations in the state:

- Casper
- Cheyenne
- Frannie

## Qwest Business

Qwest is the choice of 95 percent of Fortune 500 companies, offering a full suite of network, data and voice services for small businesses, large businesses, government agencies and wholesale customers worldwide and throughout the state.

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Qwest Wyoming President  
6101 Yellowstone Road  
Cheyenne WY 82009-0000



# CenturyLink Acquisition of Qwest Employee Overview Glen Post

Thursday, April 22, 2010



Century**Link**<sup>TM</sup>

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# Safe Harbor Language

## Forward Looking Statements

Except for the historical and factual information contained herein, the matters set forth in this release, including statements regarding the expected timing and 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 a number of risks, uncertainties and assumptions, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated or projected if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the ability of the parties to timely and successfully receive the required approvals of regulatory agencies and their respective shareholders; 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 Qwest's operations into CenturyLink will be greater than expected; the ability of the combined company to retain and hire key personnel; the timing, success and overall effects of competition from a wide variety of competitive providers; the risks inherent in rapid technological change; the effects of ongoing changes in the regulation of the communications industry; the ability of the combined company to effectively adjust to changes in the communications industry and to successfully introduce new product or service offerings on a timely and cost-effective basis; any adverse developments in commercial disputes or legal proceedings; the ability of the combined company to utilize net operating losses in amounts projected; changes in our future cash requirements; and other risk factors and cautionary statements as detailed from time to time in each of CenturyLink's and Qwest's reports filed with the Securities and Exchange Commission (SEC). There can be no assurance that the proposed acquisition will in fact be consummated. 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 acquisition or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Unless legally required, CenturyLink and Qwest undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.



CenturyLink™

# Additional Information

## Additional Information

CenturyLink and Qwest plan to file a joint proxy statement/prospectus with the SEC. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION. You will be able to obtain the joint proxy statement/prospectus, as well as other filings containing information about CenturyLink and Qwest, 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 will be incorporated by reference in the joint proxy statement/prospectus can also be obtained, free of charge, by directing a request to CenturyLink, 100 CenturyLink Drive, Monroe, Louisiana 71203, Attention: Corporate Secretary, or to Qwest, 1801 California Street, Denver, Colorado 80202, Attention: Shareholder Relations, 51st Floor. The respective directors and executive officers of CenturyLink and Qwest and other persons may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding CenturyLink's directors and executive officers is available in its proxy statement filed with the SEC by CenturyLink on April 7, 2010, and information regarding Qwest directors and executive officers is available in its proxy statement filed with the SEC by Qwest on March 17, 2010. 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 will be included in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. 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.

# About Qwest

- **30,000 employees in 14 mostly Western states**
- **Provides services to 95 percent of Fortune 500 companies**
- **Significant number of large business, government and wholesale customers**
- **Industry-leading national fiber network**
- **We will maintain a key operational presence in Denver, including a regional headquarters, Qwest Business Markets and other functions to be determined. The BMG organization will be led by Chris Ancel, former EVP for Qwest BMG.**



# Transaction Summary

<b>Transaction Structure:</b>	<b>All stock combination</b>
<b>Fixed Exchange Ratio:</b>	<b>0.1664 shares of CenturyLink stock per share of Qwest stock</b>
<b>Pro Forma Ownership:</b>	<b>50.5% CenturyLink shareholders / 49.5% Qwest shareholders</b>
<b>Transaction Value:</b>	<b>\$22.4 billion, including net debt of \$11.8 billion as of 12/31/2009</b>
<b>Estimated Synergies:</b>	<b>Approximately \$625 million of annual run-rate synergies <sup>(a)</sup></b>
<b>Estimated Transaction Multiples <sup>(b)</sup>:</b>	<b>5.1x / 4.5x 2009 EBITDA (before / after run-rate synergies); 5.9x / 4.8x 2009 Free Cash Flow <sup>(c)</sup> (before / after run-rate synergies)</b>

(a) \$575 million of run-rate operating expense synergies and \$50 million of run-rate capital expenditure synergies

(b) Based on the latest public filings; Equity value based on fully diluted shares using treasury stock method

(c) Qwest free cash flow calculated as net income + D&A + deferred income tax – capex; Multiple after run-rate synergies includes after-tax opex and capex synergies





# Compelling Combination

**Transformational transaction will create a nationwide, industry-leading communications company**

- **Pro forma 2009: revenue - \$19.8 billion; EBITDA - \$8.2 billion; free cash flow <sup>(a)</sup> - \$3.4 billion**
- **Extensive broadband capabilities with 173,000-mile fiber network**
- **Premier enterprise services to 95% of the Fortune 500 companies**
- **Strong local and national operator serving 5 million broadband customers and 17 million access lines across 37 states**
- **Enhanced ability to competitively roll out strategic products such as IPTV and other high-bandwidth services**

Note: Pro forma metrics reflect sum of actual 2009 figures and do not include synergies

6 (a) CenturyLink free cash flow calculated as net income + D&A – capex. Qwest free cash flow calculated as net income + D&A + deferred income tax – capex



**CenturyLink™**

# Compelling Combination (cont'd)

## **Well positioned strategically with significant scale and scope**

- National breadth and local depth with a compelling array of broadband products and services
- Diverse markets and revenues
- Strong growth platform - enterprise, broadband and enhanced services
- Attractive strategic product and service partner

## **Enhanced shareholder value, sustainable dividend and financial flexibility**

- Free cash flow accretive upon closing
- Significant synergies: \$625 million run-rate <sup>(a)</sup> with NPV of \$3.3 billion
- Attractive tax assets: \$5.8 billion NOLs with NPV of \$1.7 billion
- Improved 2009 payout ratio from 54.8% to 45.1% (after run-rate synergies)
- Conservative capital structure

## **Experienced management team with strong integration track record**

(a) Includes \$575 million of run-rate operating expense synergies and \$50 million of run-rate capex synergies

7



CenturyLink®

## A Local Operating Model with A Premier Nationwide Network

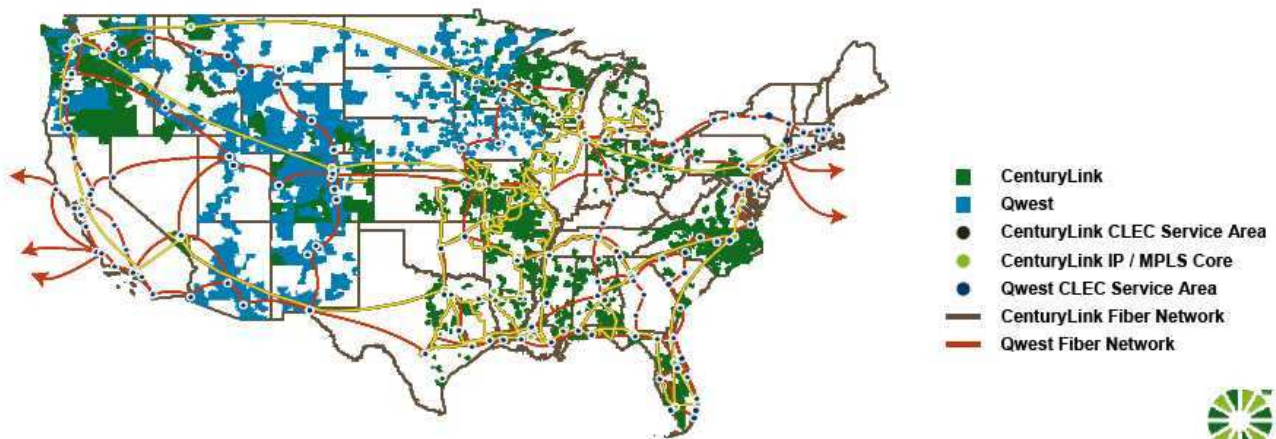
**Transformational transaction will create a nationwide, industry-leading communications company with national breadth and local depth**

### **National Breadth**

- Approximately \$5 billion of pro forma 2009 enterprise revenue
- Serves more than 95% of Fortune 500 companies
- Leverages fiber network to lower costs and expand on-net footprint

### **Local Depth**

- CenturyLink's operating model focus on local accountability
- Sales and services closer to the customer

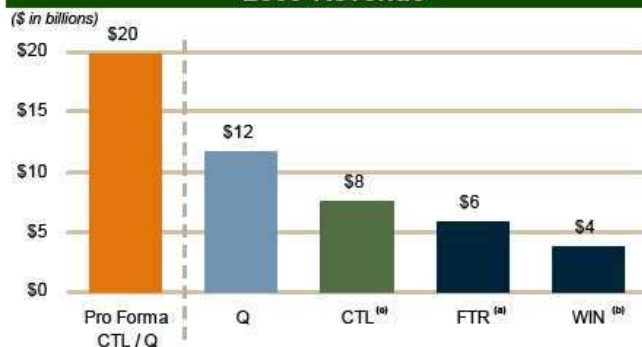


# Enhanced Scale, Scope and Reach

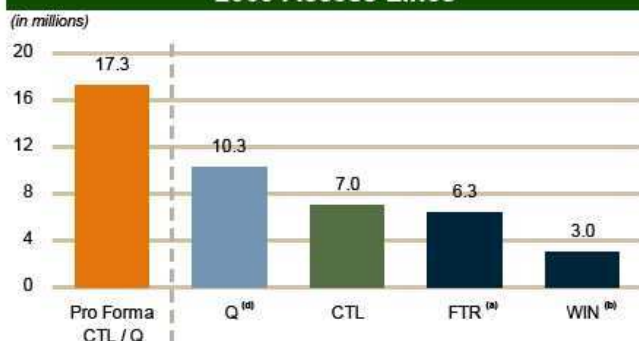
**Firm Value**



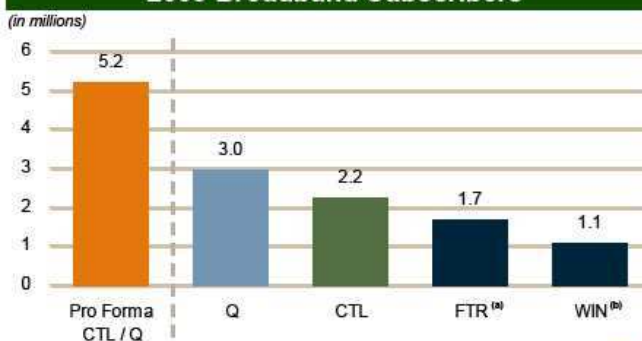
**2009 Revenue**



**2009 Access Lines**



**2009 Broadband Subscribers**



Source: Company filings

Note: Firm value as of April 21, 2010

(a) Pro forma for Frontier's acquisition of Verizon assets

(b) Pro forma for Windstream's acquisition of Nuvox; Not pro forma for acquisition of Iowa Telecom

(c) Pro forma for CenturyTel's acquisition of Embarq

(d) Includes ~403k affiliate access lines





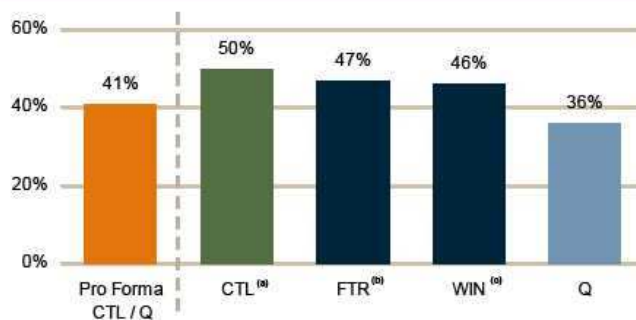
# Attractive Financial Profile

2009 EBITDA

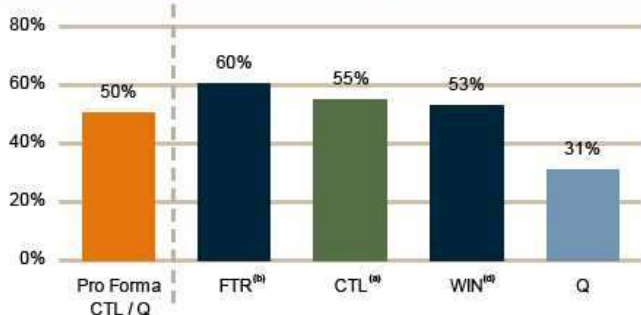
(\$ in billions)



2009 EBITDA % Margin



2009 Dividend Payout Ratio



2009 Net Leverage



Source: Company filings

(a) Pro forma for CenturyTel's acquisition of Embarq

(b) Pro forma for Frontier's acquisition of Verizon assets

(c) Pro forma for Windstream's acquisition of Nuvox; Not pro forma for acquisition of Iowa Telecom

(d) Windstream payout ratio as reported and not pro forma for acquisition of Nuvox or Iowa Telecom



# Governance

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**Chairman of the Board:** William A. Owens

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**Chief Executive Officer & President:** Glen F. Post III

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**Chief Financial Officer:** R. Stewart Ewing Jr.

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**Chief Operating Officer:** Karen A. Puckett

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**President of Business Markets Group:** Christopher K. Ancell

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**Board Members:** 4 members from the current Qwest Board, including Edward A. Mueller, Qwest's Chairman and Chief Executive Officer to be added to CenturyLink Board

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# Approval and Integration Process

- **Similar to Embarq transaction process**
- **FCC, DoJ, shareholders and states need to approve**
- **Will adopt CenturyLink regional operating model**
- **Will keep employees informed throughout process**
- **Expect to conclude acquisition process in first half of 2011**



# Great Strategic Combination

- **Significantly enhanced scale with improved growth characteristics**
- **Immediately accretive to free cash flow / improved payout ratio**
- **Significant free cash flow, solid balance sheet and strong liquidity**
- **Extensive broadband capabilities with 173,000-mile fiber network**
- **Experienced and dedicated employee team**

# Thank You!

**Remain focused on key strategic areas:**

- **Successfully complete merger integration**
- **Laser focus on owning the broadband position in our markets**
- **Intensify customer/revenue growth and retention efforts**
- **Remain vigilant about cost control**
- **Invest in and develop new products and related business initiatives**

**Success in regional operating model and in past integrations/conversions made this possible.**



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