



CenturyLink and Qwest Merger Transaction Overview

**Presented to:
New Mexico Science, Technology and Telecommunications
Legislative Interim Committee**

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Key Transaction Attributes

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

- **Extensive broadband footprint and capabilities**
- **180,000-mile fiber network**
- **Enhanced ability to competitively roll out strategic products such as IPTV and other high-bandwidth services**
- **Strong financially sound company**
- **Strong competitor in enterprise markets**
- **Strong local and national operator serving 5 million broadband customers and 17 million access lines across 37 states**

Transaction Summary

Transaction Structure: All stock combination

Fixed Exchange Ratio: 0.1664 shares of CenturyLink stock per share of Qwest stock

Pro Forma Ownership: 50.5% CenturyLink shareholders / 49.5% Qwest shareholders

Enterprise Value: \$22.4 billion

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

Financing: No new financing or refinancing required

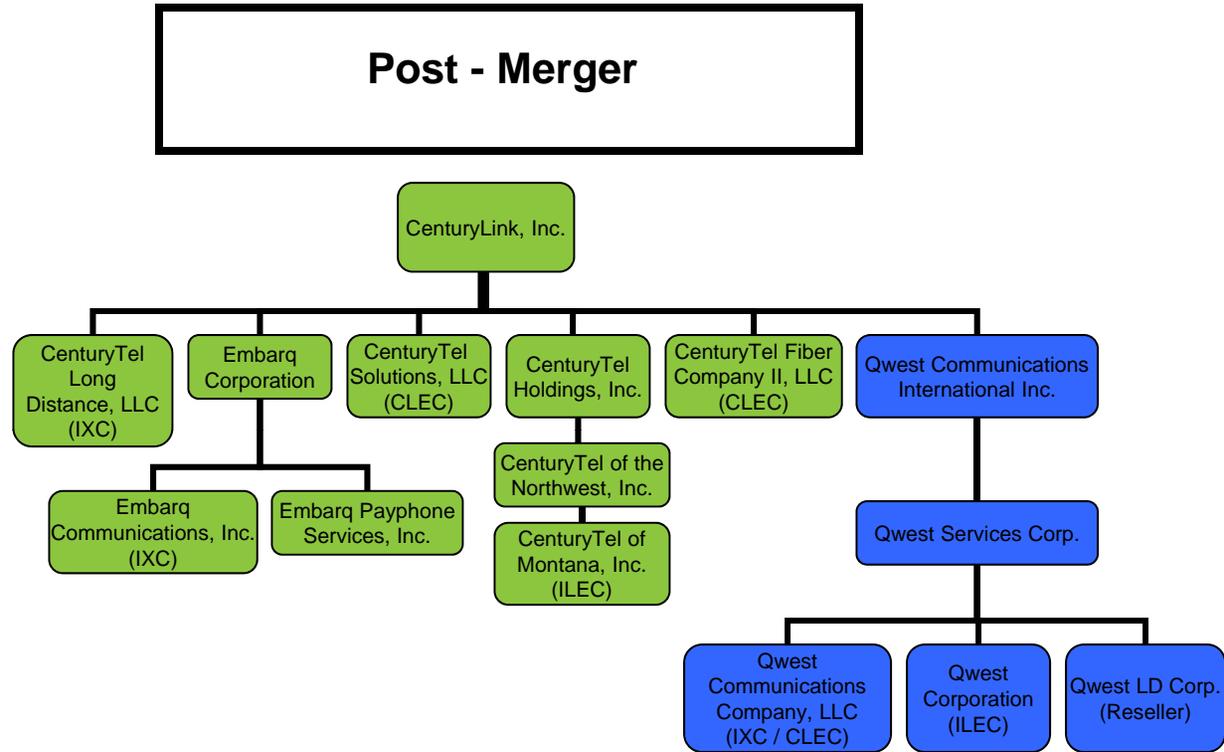
Closing Conditions: HSR, FCC, certain state regulatory approvals; CenturyLink and Qwest shareholder approvals; and other customary closing conditions

Management Team

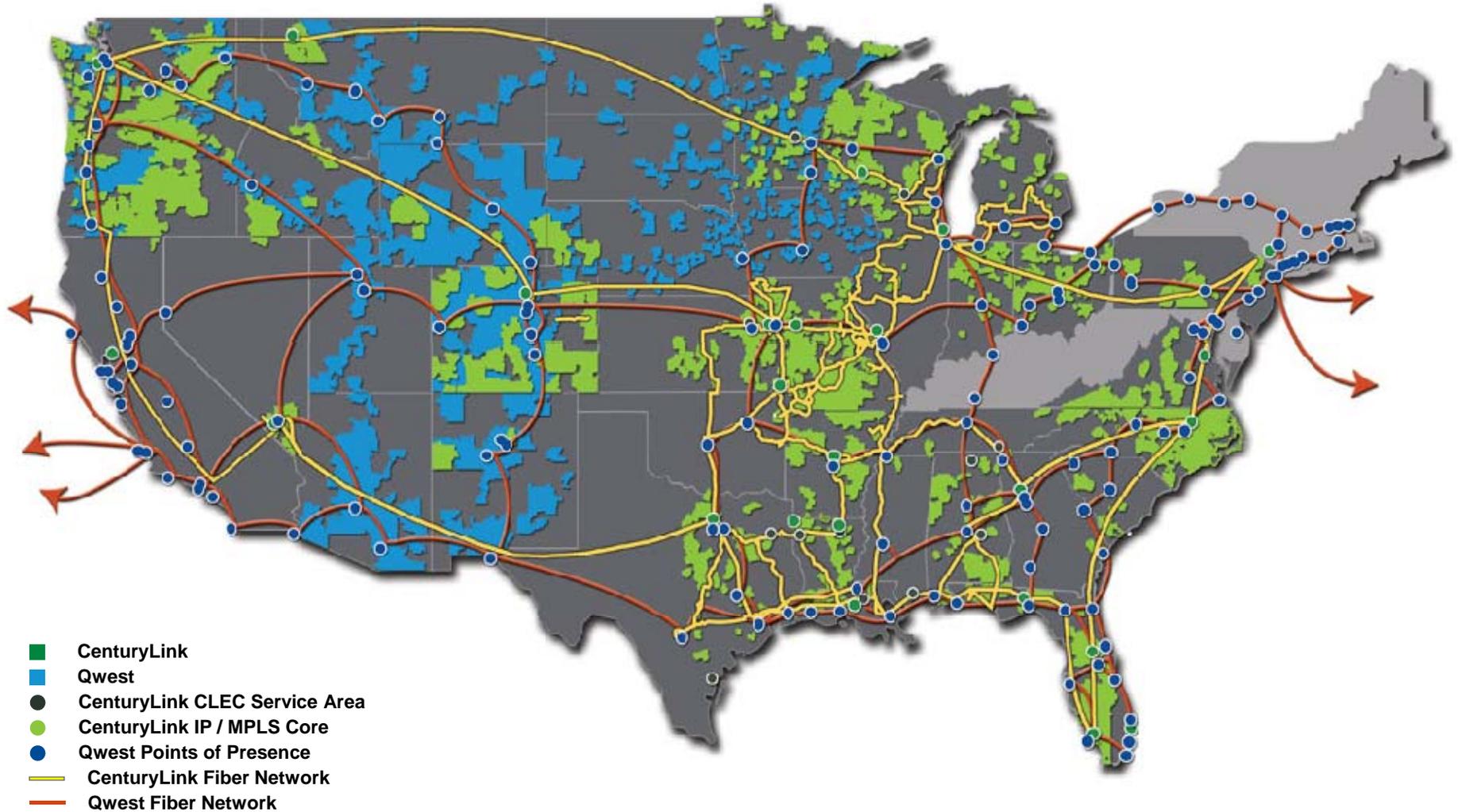
Experienced management team with strong integration track record:

- Chairman of the Board: William A. Owens
- Chief Executive Officer & President: Glen F. Post III
- Chief Financial Officer: R. Stewart Ewing Jr.
- Chief Operating Officer: Karen A. Puckett
- President of Business Markets Group: Christopher K. Ancell
- 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

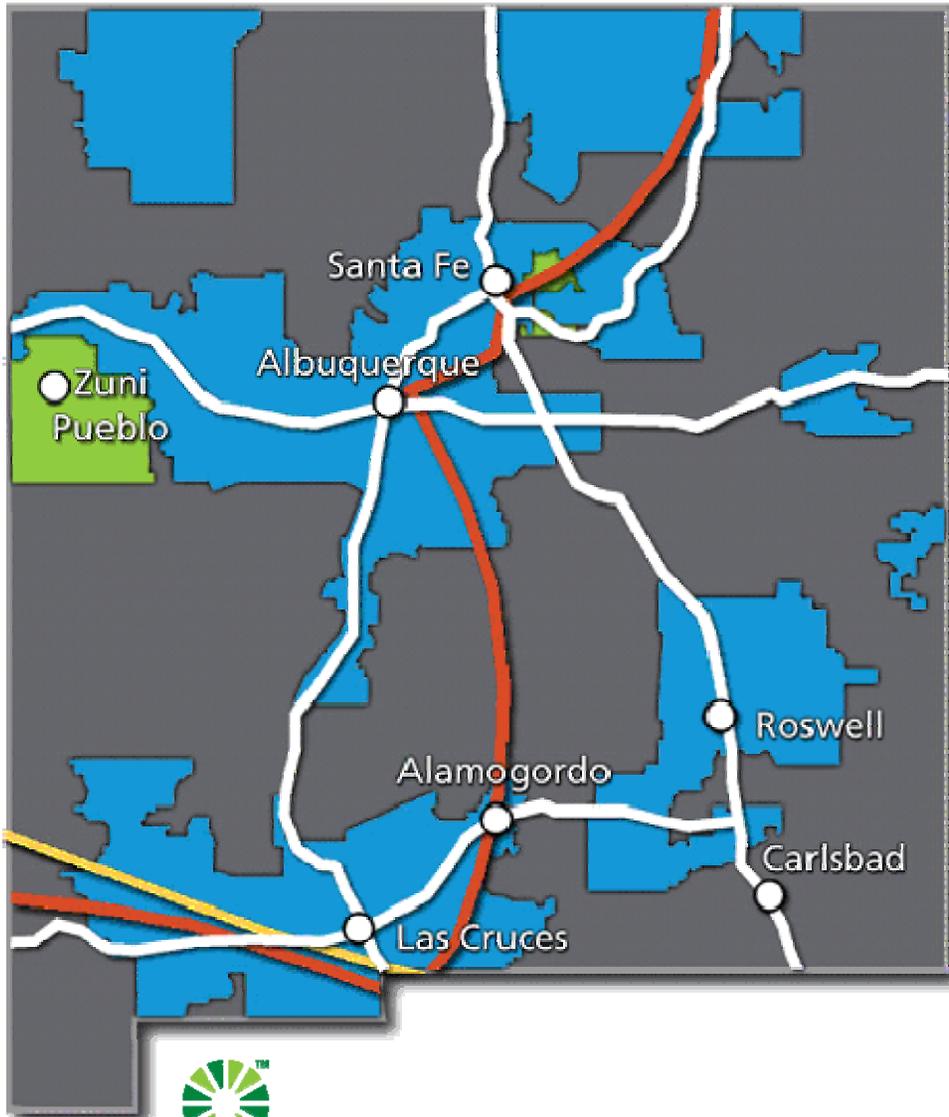
New Mexico Organizational Structure Diagrams



Local Operating Model / Premier Nationwide Network



New Mexico



CenturyLink™

Employees	10
Access Lines	4,700
Total Investment	\$32.7M
Annual Payroll	\$651,000



Employees	720
Access Lines	590,120
Total Investment	\$2.5B
Annual Payroll	\$56,400,000

-  CenturyLink Wireline Exchanges
-  Qwest Wireline Exchanges
-  Core Fiber (Dark/Lit)
-  Qwest IXC Route



Customer Benefits

1. **Customer Focus:** Creates a local go-to-market focus bringing decisions closer to the needs of local customers and communities
2. **Expanded and Enhanced Consumer Offerings:** Increases the likelihood of faster, broader broadband service deployment enabling terrestrial based video competition via IPTV
3. **Increased Capabilities:** Creates a stronger data/voice and long-haul competitor to the long haul efforts of the two largest integrated communications companies
4. **Financial Strength and Flexibility:** The combined company's sound capital structure will support its ability to take advantage of opportunities that may arise, while continuing to invest in its business

In Summary: Transaction = Win for Customers

This transaction is a win for customers, communities, and government:

- Better positioned to make investments that benefit customers in the form of broadband expansion and services, IPTV, and other innovative products
- The communities we serve will benefit as our innovative services spur economic development
- Businesses, government, healthcare and educational institutions will greatly benefit from the coast-to-coast reach of the new company's telecom infrastructure

This transaction requires no additional debt and there are no financing or refinancing conditions:

- The financial benefits flowing from the combined strength of the two companies enhances our ability to serve customers, communities, and government