

OPPORTUNITY MULTIPLIED \times





OPPORTUNITY MULTIPLIED

We made strategic investments in 2011 that expanded the scale and scope of our business and multiplied growth opportunities. We completed the Embarq integration and closed the Qwest acquisition, creating the third largest telecommunications company in the country. We enhanced our broadband network capabilities, expanded our CenturyLink™ Prism™ TV service, built fiber to thousands of cell tower sites to gain wireless data transport opportunities, and transformed ourselves into a global leader in managed hosting and cloud computing services through our acquisition of Savvis, Inc. Even as we transformed CenturyLink, our dedicated employees remained focused on delivering excellent service for our customers. In our 2011 annual review, we present our business results, integration progress and financial highlights for the year as well as the strategic investments we made for the future to build attractive revenue opportunities and long-term advantage.

In addition to historical information, this Review includes certain forward-looking statements that are subject to uncertainties that could cause our actual results to differ materially from such statements.

Please refer to our Form 10-K for the year ended December 31, 2011, for a description of these and other uncertainties related to our business.

Data Hosting and Cloud Services

CenturyLink™ PRISM™ TV



Broadband Expertise

Fiber-to-the-Tower Initiatives

2011 Timeline

April 1

Completed our acquisition of Qwest Communications, creating the third largest U.S. telecommunications company. The combined company now has a 37-state service area.

June 30

Completed the launch of CenturyLink™ Prism™ TV in key legacy Embarq markets, offering the most advanced combination of television features available in the area and providing customers a better choice for their entertainment services.

July 15

Completed our acquisition of Savvis, Inc., creating a premier service provider with global scale in the high-growth sector of colocation, managed hosting and cloud services and with data centers in North America, Europe and Asia.

December 31

Completed the Embarq integration on plan, capturing \$375 million in annual run-rate operating expense synergies, and achieved approximately \$235 million in annual run-rate operating expense synergies from the Qwest integration by year-end.



Financial Highlights

Dollars in millions, except per share amounts.
Shares, lines and subscribers in thousands.

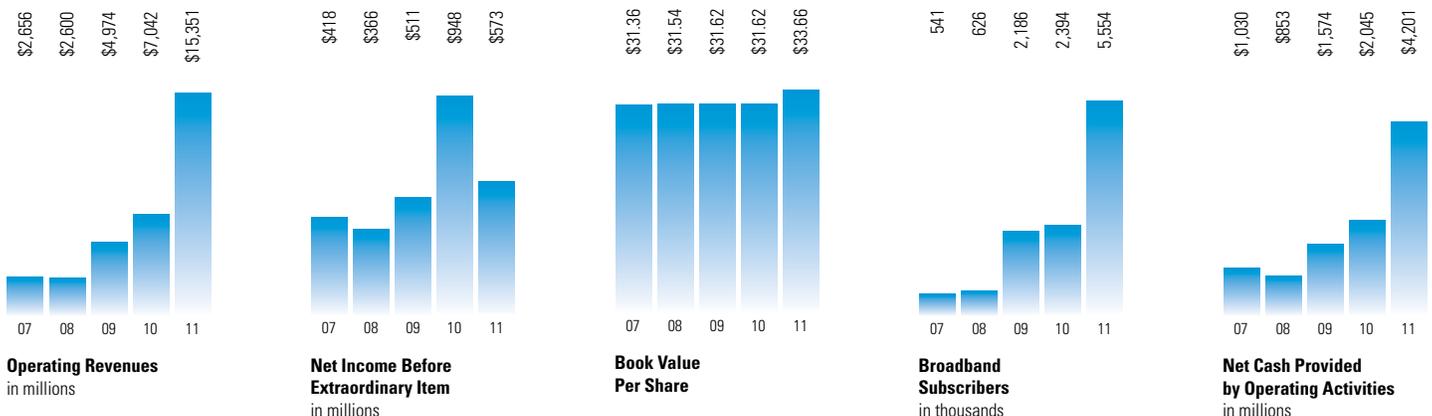
	2011	2010	2009	2008	2007	2006	5-year CAGR ⁽¹⁾
Operating revenues	\$ 15,351	7,042	4,974	2,600	2,656	2,448	44.4%
Operating income	\$ 2,025	2,060	1,233	721	793	666	24.9%
Depreciation and amortization	\$ 4,026	1,434	975	524	536	524	50.4%
Income before extraordinary item	\$ 573	948	511	366	418	370	9.1%
Diluted earnings per share before extraordinary item	\$ 1.07	3.13	2.55	3.52	3.71	3.07	(19.0)%
Net cash provided by operating activities	\$ 4,201	2,045	1,574	853	1,030	841	37.9%
Capital expenditures	\$ 2,411	864	755	287	326	314	50.3%
Repurchase of common stock and common dividends paid	\$ 1,587	896	576	567	490	831	13.8%
Book value per share	\$ 33.66	31.62	31.62	31.54	31.36	28.11	3.7%
Dividends per common share	\$ 2.90	2.90	2.80	2.1675	0.26	0.25	63.3%
Average diluted shares outstanding	534,121	301,297	199,057	102,560	112,787	121,990	34.4%
Total assets	\$ 56,139	22,038	22,563	8,254	8,185	7,441	49.8%
Long-term debt, including current portion and short-term debt	\$ 21,836	7,328	7,754	3,315	3,014	2,591	53.2%
Stockholders' equity	\$ 20,827	9,647	9,467	3,168	3,416	3,199	45.5%
Telephone access lines⁽²⁾	14,584	6,489	7,025	2,025	2,152	2,083	47.6%
Broadband subscribers⁽²⁾	5,554	2,394	2,186	626	541	355	73.3%

⁽¹⁾ Five-year compounded annual growth rate

⁽²⁾ During 2011, we updated our methodology for counting access lines and broadband subscribers. Our access line methodology includes only those access lines that we use to provide services to external customers and excludes lines used solely by us and our affiliates. Our methodology also excludes unbundled loops and includes stand-alone broadband subscribers. Our methodology for counting access lines may not be comparable to those of other companies.

Full financial statements, along with certifications required under the Sarbanes-Oxley Act of 2002, the New York Stock Exchange rules and management's discussion and analysis of financial condition and results of operations, are provided in our 2012 Proxy Statement ("Proxy Statement") and 2011 Annual Report on Form 10-K ("Form 10-K") filed with the Securities and Exchange Commission. The Proxy Statement will be mailed to shareholders.

A copy of our Form 10-K can be obtained at no charge by contacting our Investor Relations department at 800.833.1188 or by accessing our Web site at www.centurylink.com.

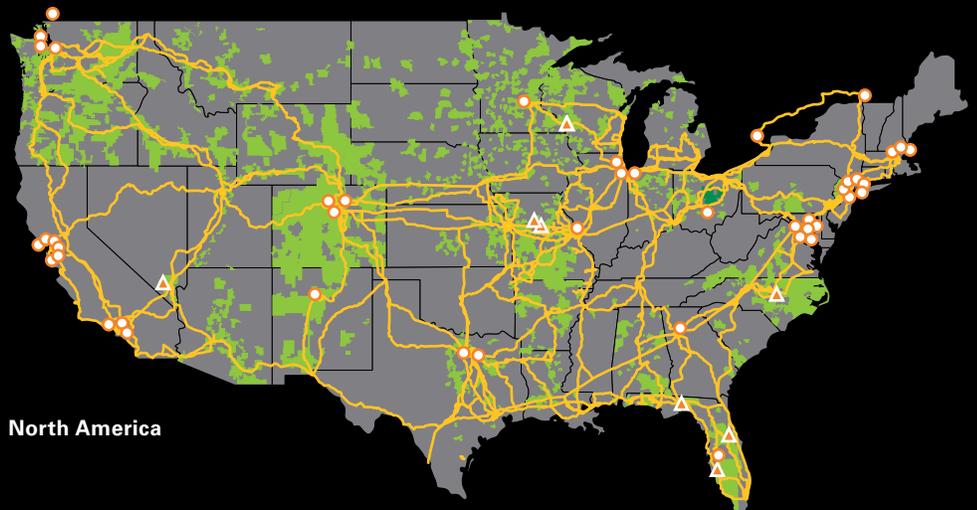


Our Network

Our domestic fiber network covers approximately 210,000 route-miles, offering access to numerous new market opportunities, and we now have a global reach to our business. With the completion of the Qwest and Savvis acquisitions, CenturyLink became a national, industry-leading communications company providing broadband, voice and Verizon Wireless services to consumers and businesses across the country; advanced entertainment services under the CenturyLink™ Prism™ TV and DIRECTV brands; and data, voice and managed services to business, government and wholesale customers in local, national and select international markets through our high-quality advanced fiber optic network and multiple data centers.

We have successfully implemented our market-driven local operating model in our newly acquired service areas and expect continued gains in sales and service quality.

With CenturyLink's acquisition of Savvis, we created a premier managed hosting and colocation provider with global scale positioned for leadership in meeting customer demand for outsourced IT and cloud services. The combined infrastructure includes data centers in North America, Europe and Asia.



- CenturyLink
- CenturyLink Fiber
- Data Center
- ▲ CenturyLink™ Prism™ TV Market

To Our Stockholders

We have successfully positioned CenturyLink for growth by expanding the scale and scope of our business through recent acquisitions, transforming ourselves into a leading global provider of communications, entertainment and data hosting services. We have enhanced our broadband network capabilities; expanded our CenturyLink™ Prism™ TV service; invested in our fiber-to-the-tower initiative, which enables us to participate in the growing demand for wireless broadband; and established ourselves as a global leader in managed hosting and cloud computing services. Our products and services are delivering more value than ever to more customers than ever, improving the lives of people across the country and around the world.

ENHANCING

- More than 90 percent of access lines are broadband-enabled.
- 50 percent of our broadband-enabled access lines are capable of speeds of 10 Mbps or higher.
- 6.1 million living units have been enabled through our fiber-to-the-node initiative.
- Our high-demand, next-generation IP services include high-speed Internet, Ethernet, CenturyLink™ Prism™ TV, MPLS and VoIP.

In 2011, we completed the Embarq integration and closed the Qwest acquisition, creating the third largest telecommunications company in the country. We also took an important strategic step in our transformation, acquiring Savvis, Inc., a global leader in cloud infrastructure and hosted IT solutions for enterprises. By combining Savvis' proven solutions with CenturyLink's extensive network assets, we have created a premier service provider with global scale in the high-growth sector of colocation, managed hosting and cloud services. We ended 2011 with 49 data centers and two million square feet of gross raised floor space. With a superb suite of Savvis products combined with the reliability and security of our network, our customers can harness the latest advances in technology to grow and improve their businesses.

With the Qwest and Savvis acquisitions and the on-plan integration of Embarq, CenturyLink ended 2011 a very different company. In just five years, our annual revenues increased from about \$2.45 billion to more than a pro forma \$18 billion. Business customers, with their growing need for advanced broadband and data hosting solutions, now represent nearly 60 percent of our revenues. Our domestic fiber network covers approximately 210,000 route-miles, offering access to numerous new market opportunities, and we now have a global reach to our business. Our local market position, especially in the markets we acquired, continues to improve, thanks to the proven effectiveness of our local operating model. Most important, we ended 2011 with a strong asset portfolio and the capabilities we need to capitalize on long-term growth opportunities.

Taking advantage of these opportunities requires focused execution, which CenturyLink employees continue to deliver. Our Unifying Principles create a strong foundation for our culture and guide our employees in their interactions with each other and with customers. As a result of our employees' hard work and commitment, we have successfully integrated multiple acquisitions while maintaining our culture, customer focus and strategic direction. We thank our employees, and we are confident their continued focus on serving our customers will enable us to capitalize on the promising opportunities we see in the years ahead.

2011: Transforming our business

Our focus in 2011 remained on our customers and being the premier telecommunications service provider in the markets we serve. We made excellent progress last year, while continuing to execute our integration plans and maintain a strong financial position.

In our **Regional Markets Group** segment, we realized 4.5 percent growth in high-speed Internet subscribers in 2011 over pro forma year-end 2010 and expanded our fiber-to-the-node (FTTN) infrastructure by approximately 1.3 million living units, ending the year with 6.1 million FTTN-enabled living units. We also continued to expand the footprint and subscriber base of our CenturyLink™ Prism™ TV service, with eight markets in total and the potential to reach more



“With the people, products and capabilities we’ve added through our three recent major acquisitions, we have the right strategies and assets in place to continue transforming our company. Our focus is on four key growth drivers that we believe offer the most attractive strategic revenue opportunities and long-term advantage for CenturyLink.”

Glen F. Post, III
Chief Executive Officer and President

than one million households. We ended 2011 with a CenturyLink™ Prism™ TV penetration rate of nearly 7 percent of homes passed. We also realized strong demand for our Core Connect bundles, which include Internet, e-mail, phone and Web site services for small-to-medium-size businesses and experienced growth in MultiProtocol Label Switching (MPLS) and Ethernet services for large businesses. In early 2012, we integrated services to in-region large business customers and state and local governments into our Regional Markets Group, extending the benefits of our local operating model to these customers.

In our **Business Markets Group** segment, we realized double-digit growth in IQ Networking, Ethernet and Voice over IP (VoIP) services and experienced strong demand for strategic services such as MPLS and IP Virtual Private Network. Our Business Markets Group was recognized by ATLANTIC-ACM with “Best-in-Class” Business Services awards, based on customer feedback, in two key areas: ILEC/IXC Billing and ILEC/IXC Enterprise Voice Value. By year-end, we began to build a strong sales funnel of cross-selling opportunities between our Business Markets Group and Savvis. In our Savvis business segment, we achieved double-digit growth in managed hosting and cloud computing services and recorded fourth quarter bookings that were the highest of any quarter in 2011. Also, data center expansions and openings in the second half of 2011 brought our sellable space to 1.3 million square feet at year-end. We expanded our Savvis Symphony suite of cloud computing services to enable enterprise customers to better match their application needs to service levels and cost. Savvis was recognized by Gartner, Inc., a leading information technology research and advisory company, as a leader in both the Magic Quadrant for Public Cloud Infrastructure as a Service and the Magic Quadrant for Managed Hosting. In early 2012, we consolidated national and international Business Markets Group customers, Savvis customers and federal government customers into our new Enterprise Markets Group, enabling us to better leverage our strategic assets and more effectively serve our enterprise customers.

In our **Wholesale Markets Group** segment, we completed fiber builds to about 5,800 cell sites, which brought our year-end total to approximately 10,200 sites. We continue to experience strong data transport demand from wireless providers and have secured long-term contracts for wireless data transport that will support our revenue growth opportunities in 2012 and beyond. Our Wholesale Markets Group was recognized by ATLANTIC-ACM with five “Best-in-Class” awards, based on customer feedback, in their Incumbent Local Exchange Carrier (ILEC) category: Customer Service, Network Performance, Data Value, Provisioning and Sales Representatives.

We made excellent progress in our **acquisition integration efforts**, achieving more than \$600 million in annualized operating expense run-rate synergies from the combined Embarq and Qwest transactions. In 2011, we completed the Embarq integration on plan, capturing \$375 million in annual run-rate synergies. We also closed the Qwest transaction, completed the conversion of the Qwest human resource and financial systems and achieved approximately \$235 million in annual run-rate synergies by year-end. We remain on plan to capture \$575 million in annual run-rate synergies from the Qwest integration over a three- to five-year period after the transaction closing date. Our goal is to achieve combined annual run-rate synergies from the Embarq, Qwest and Savvis acquisitions of more than \$1 billion when fully realized in the next two to four years. We also completed the Savvis acquisition and are focused on prioritizing cross-selling opportunities and expanding the Savvis product suite to include standardized network, infrastructure and application solutions for all business customers.

EXPANDING

- Our CenturyLink™ Prism™ TV subscriber base reached nearly 70,000 subscribers by year-end.
- Approximately 50 percent of subscribers are new CenturyLink customers.
- We experienced more than a 90 percent broadband pull-through rate with these customers.

To Our Stockholders *continued ...*

BUILDING

- We completed fiber builds to about 5,800 cell sites, bringing our year-end total to approximately 10,200 sites.
- Fiber builds lead to long-term contracts for wireless data transport that will support future revenue growth opportunities.

In total, our 2011 efforts resulted in a six percent increase in strategic revenues on a pro forma basis. Strategic revenues now account for nearly 43 percent of our total revenues, up from 39 percent from pro forma 2010. With continued emphasis on managing costs and achieving targeted synergies, we generated solid free cash flow in 2011 and returned \$1.556 billion to our stockholders through dividend payments.

Investing for growth

With the people, products and capabilities we've added through our three recent major acquisitions, we have the right strategies and assets in place to continue transforming our company. Our focus is on four key growth drivers that we believe offer the most attractive strategic revenue opportunities and long-term advantage for CenturyLink.

- **Broadband expansion and enhancements**

We continue to invest in our broadband network – extending our footprint, enhancing speeds and adding advanced features and functionality. More than 90 percent of our access lines are broadband-enabled – 50 percent of which are capable of speeds of 10 Mbps or higher and 20 percent are capable of 20 Mbps or higher. We continue to build fiber deeper into our network. In particular, we expect to enable approximately one million additional living units in 2012 through our FTTH expansion initiative. Our product offerings include high-demand, next-generation IP services such as high-speed Internet, Ethernet, CenturyLink Prism™ TV, MPLS and VoIP.

- **CenturyLink Prism™ TV expansion**

We are focused on growing our CenturyLink Prism™ TV subscriber base and pursuing a capital-efficient approach to market expansions. Our Prism™ TV subscriber base grew by approximately 35 percent in fourth quarter 2011, reaching nearly 70,000 subscribers at year-end. Approximately 50 percent of these Prism™ TV customers are new CenturyLink customers, and more than 90 percent of these customers also subscribe to our high-speed Internet service. We expect to launch Prism™ TV in our first legacy Qwest market in 2012.

- **Fiber-to-the-tower initiative**

Our fiber-to-the-tower (FTTT) investments strengthen our data transport capabilities and enhance our local fiber networks. In addition to providing an avenue to participate in the fast-growing wireless data market, our FTTT initiative opens new broadband opportunities in our markets. We expect to build fiber to another 4,000 to 5,000 tower sites in 2012.

- **Managed hosting and cloud services**

We believe managed hosting and cloud services offer significant growth potential in 2012 and beyond, and we are committed to investing in this business. We anticipate adding another 100,000 square feet of sellable data center space in 2012. We also are focused on achieving efficiencies across our data center and network infrastructure by rationalizing the combined legacy Qwest and legacy Savvis data center footprints and connecting all centers to our network. We will continue to pursue cross-selling opportunities into our combined enterprise customer base and expect to launch newly developed cloud services for small-to-medium-size businesses this year. We also will evaluate growth opportunities outside the U.S., particularly in the high-growth Asia-Pacific region.

We are optimistic about the growth prospects we see in the years ahead. With our suite of broadband products and strong asset mix, combined with implementation of systems and processes that make it easier for our employees to serve our customers, improve the customer experience and operate more productively and efficiently, we are gaining momentum across our markets.

Evaluating regulatory reforms

In 2011, the Federal Communications Commission (FCC) announced comprehensive reforms of the Universal Service Fund (USF) and Intercarrier Compensation (ICC) system that are designed to promote broadband build-out in rural areas. We welcome the FCC focus on expanding high-speed Internet service to the 18 million Americans currently without access to a robust wireline broadband connection. The direction of the FCC reforms aligns well with our commitment to serving rural areas, our history of steady investment in broadband infrastructure and our strategic focus on being the broadband provider of choice in the areas we serve. As specific rules are written under the new reforms, we will continue to evaluate the implications for our business, including the economics of bringing broadband services to rural areas identified with the new Connect America Fund.

Maintaining financial strength

Even as we transformed CenturyLink with new capabilities and assets, we maintained our strong financial position. We generated solid free cash flow in 2011 and ended the year with a long-term debt to equity ratio of 1.0. We expect to repay approximately \$1.5 billion to \$2 billion in gross debt on a pro forma basis over the two-year period ending December 31, 2012. Our solid cash flows and stable balance sheet give us the flexibility to invest in our business, capitalize on opportunities for growth and provide significant quarterly cash dividends to our shareholders. This financial strength has allowed us to deliver shareholder returns that are among the best in the telecommunications industry. Our 10-year total return is 60.16 percent, and our 15-year total return is 295.17 percent.

Looking forward

We operate in an exciting industry – an industry that keeps people informed, entertained and moving forward. At CenturyLink, our products and services improve lives. We work hard every day to help families stay connected, businesses operate efficiently and governments serve their citizens. The benefits of our communications, entertainment and data hosting services are more significant and more widespread than ever before. Our goal is to provide to our customers the products and services they need to communicate better, explore further and achieve what is important to them, whether that customer is the chief information officer of a *Fortune* 500 company operating in complex global networks or a grade-school student researching a school project on a home computer.

As a leading global telecommunications service provider, we believe the future holds great potential for CenturyLink. We are focused on achieving that potential – both near term and long term – for the benefit of our customers and shareholders. We thank you for the trust and confidence you have shown in our company, and we will work hard in the months and years ahead to earn your continued support.



Glen F. Post, III
Chief Executive Officer and President

GROWING

- We achieved double-digit revenue growth in managed hosting and cloud computing services.
- Data center expansions and openings brought sellable space to 1.3 million square feet at year-end.
- Savvis was recognized by Gartner, Inc. as a leader in both the Magic Quadrant for Public Cloud Infrastructure as a Service and the Magic Quadrant for Managed Hosting.

Our Leadership



Glen F. Post, III
Chief Executive Officer
and President
36-year industry veteran



William E. Cheek
President,
Wholesale Markets Group
35-year industry veteran



Stephanie Comfort
Executive Vice President,
Corporate Strategy
and Development
27-year industry veteran



Steven Davis
Executive Vice President,
Public Policy and
Government Relations
31-year industry veteran



R. Stewart Ewing, Jr.
Executive Vice President,
Chief Financial Officer
and Assistant Secretary
29-year industry veteran



Stacey W. Goff
Executive Vice President,
General Counsel
and Secretary
14-year industry veteran



Dennis G. Huber
Executive Vice President,
Network Services
28-year industry veteran



Jim Ousley
Chief Executive Officer,
Savvis
President,
Enterprise Markets Group
36-year industry veteran



Karen A. Puckett
Executive Vice President
and Chief Operating
Officer
29-year industry veteran



Girish Varma
Executive Vice President,
Information Technology
Services
34-year industry veteran

Shareholder Information

Further Information

Call 800.833.1188, Monday through Friday from 8 a.m. to 5 p.m. Central Time for stock-related inquiries. Certain financial information also can be found on CenturyLink's Investor Relations Web site at ir.centurylink.com or its Corporate Web site at www.centurylink.com. To obtain a copy of CenturyLink's Annual Report on Form 10-K at no charge, contact:

Investor Relations

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Dividend Reinvestment Plan

By participating in CenturyLink's Dividend Reinvestment and Stock Purchase Service (the Service), shareholders may purchase common stock with their reinvested dividends at market price. In order to participate in this plan, individuals must own at least one share of CenturyLink stock registered in their name. Under this Service, shareholders pay no commission or handling charge for purchases made with reinvested dividends or those made under the optional cash purchase provision. Optional payments must be at least \$25 per payment with a maximum of \$150,000 per calendar year. Optional payments may be made at any time by check or money order, or monthly, via direct debit. Upon request, shareholders can obtain information on the Service directly from CenturyLink or from our Transfer Agent.

Transfer Agent

Computershare Trust Company
Dividend Reinvestment Department
P.O. Box 43078
Providence, Rhode Island 02940-3078
800.969.6718

Annual Meeting

CenturyLink's annual meeting of shareholders will be held Wednesday, May 23, 2012, at 10 a.m. Central Time at the following location:

Corporate Headquarters
100 CenturyLink Drive
Monroe, Louisiana 71203

Trading and Dividend Information

2011	High	Low	Close	Dividends Declared
1st quarter	\$ 46.78	\$ 39.45	\$ 41.55	\$.725
2nd quarter	43.79	38.66	40.43	.725
3rd quarter	41.32	31.75	33.12	.725
4th quarter	38.01	31.16	37.20	.725

2010	High	Low	Close	Dividends Declared
1st quarter	\$ 37.00	\$ 32.98	\$ 35.46	\$.725
2nd quarter	36.73	14.16 ⁽¹⁾	33.31	.725
3rd quarter	40.00	32.92	39.46	.725
4th quarter	46.87	39.18	46.17	.725

⁽¹⁾ During the widely publicized temporary market disruption that occurred on the afternoon of May 6, 2010, our common stock momentarily traded as low as \$14.16 in markets other than the NYSE. The opening and closing prices of our common stock on May 6, 2010, were \$34.48 and \$33.52, respectively.

CenturyLink, Inc. Stock

CenturyLink's common stock is listed on the New York Stock Exchange under the symbol CTL.

Projected 2012 Dividend Dates*

	Record Date	Payment Date
1st quarter	Tuesday, March 6, 2012	Friday, March 16, 2012
2nd quarter	Tuesday, June 5, 2012	Friday, June 15, 2012
3rd quarter	Tuesday, September 11, 2012	Friday, September 21, 2012
4th quarter	Tuesday, December 11, 2012	Friday, December 21, 2012

*Subject to discretion of the CenturyLink Board of Directors.



CenturyLink, Inc.

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