

YOUR link ▶ TO WHAT'S NEXT

TECHNOLOGY + SERVICE + SOLUTIONS + GROWTH + CONNECTIVITY





ACCESSING THE FUTURE

At CenturyLink, we have a clear vision that defines our purpose as a company: to improve lives, strengthen businesses and connect communities by delivering advanced technologies and solutions with honest and personal service. We are working to be a different kind of communications company; one that sets customers free to focus on what is most important to them personally and professionally. With this vision, we believe the future holds great potential for CenturyLink, our customers and shareholders.

A link for Everyone



Improving Lives

We link people to the world through direct data connections to the Internet. Families can enjoy a weekly movie night at home with Hollywood's latest hits, students can attend virtual classes, and businesses can connect with customers and suppliers located around the world. We are committed to improving lives by delivering advanced solutions with the personal and honest service that is a hallmark of CenturyLink.



Strengthening Businesses

We link large enterprises, small- to medium-size businesses and government entities through our data, Internet, voice, managed hosting and cloud solutions. Businesses require advanced communication and computing solutions to strengthen their positions in today's global markets. We provide end-to-end solutions over our 430,000-mile global network, which includes more than 230,000 miles of domestic fiber. Our acquisition of Savvis, along with our other hosting assets, positions CenturyLink as a global leader in cloud infrastructure and hosted IT solutions for business.



Connecting Communities

We link communities through our nationwide broadband network, bringing together residents in towns and cities across the country. By providing advanced technology broadband access, CenturyLink facilitates economic development and enhances the quality of life in the communities we serve. We further support our communities through philanthropic and volunteer support of K-12 education and youth programs, technology-focused initiatives and locally driven grassroots improvement efforts.



Advancing Technology

We link our customers to advanced technologies by continually investing in our network, and product and service offerings. We invest strategically in Multiprotocol Label Switching (MPLS), Ethernet, data hosting and managed services for business customers, fiber-to-the-tower (FTTT) for wholesale customers, and Prism™ TV and broadband enhancements for consumers. As a result, CenturyLink is well positioned to deliver the advanced technologies that customers need today and in the future.

► To Our Shareholders

Expanding Links ▼

Our Success in the Business Market

provided 60 percent of our revenue in 2012.



Business customers include large enterprise, small- to medium-size business, government entities and wholesale business customers.

Business

- We grew pro forma strategic revenues for enterprise network services by 4.3 percent in 2012 over 2011.
- We drove sequential recurring revenue growth for enterprise network services in every quarter of 2012.
- We ended 2012 with 54 data centers and 1.4 million sellable square feet in North America, Europe and Asia.
- We launched a simplified approach to cloud computing for businesses of all sizes, and we expanded our industry-leading suite of enterprise cloud computing solutions.
- We acquired Ciber's IT outsourcing business, enhancing our capabilities in application management services and help-desk support.

CenturyLink delivered strong results again in 2012 as we continue to diversify our revenues and increase our operational efficiencies. We generated solid growth in our enterprise network services, managed IT services and data hosting businesses, and increased our high-speed Internet subscriber base. We also achieved additional operating expense synergies related to the Qwest acquisition earlier than we originally anticipated. Our 2012 performance reflects the hard work of our employees and the ongoing investments in our strategic growth opportunities. With continued success, we should achieve revenue stability in 2014 – an important milestone for our company.

Having closed three major acquisitions over the past three years, our focus in 2012 was on integrating assets, improving products and services, and driving strategic revenue growth. We also continued to invest in growth opportunities such as Multiprotocol Label Switching (MPLS), Ethernet, data hosting and managed services for business customers, fiber-to-the-tower (FTTT) for wholesale customers, and Prism™ TV and broadband enhancements for consumers. While competition remains strong and technologies continue to evolve, we believe we have the right people, assets, technologies and operating scale to deliver competitive, differentiated service offerings and to drive long-term growth.

Even as we transform CenturyLink into a larger and more diverse organization, we also remain focused on maintaining the personal service that is a hallmark of our company. Our employees are guided by our Unifying Principles and aligned with our Vision: *to improve lives, strengthen businesses and connect communities by delivering advanced technologies and solutions with honest and personal service.* We are working to be a different kind of communications company; one that sets customers free to focus on what is most important to them.

Measuring our progress

Improvement in our top-line revenue trend best captures the progress we made in 2012. Our rate of pro forma revenue decline in 2012 improved to 1.7 percent compared to 3.8 percent in 2011. With steady investment in strategic growth opportunities, we have made significant progress toward achieving revenue stability, and we believe operating cash flow stabilization should soon follow.

...with businesses

A major driver of our 2012 progress is the success we've achieved in the business market, which includes large enterprises, small- to medium-size businesses and government entities. We believe our network and data hosting capabilities align well with the business community's growing demand for secure communication and computing solutions. We offer leading MPLS and Ethernet technologies over our robust

“With continued success, we should achieve revenue stability in 2014 – an important milestone for our company.”



“By offering differentiated services with an outstanding customer experience, we have developed positions of strength in the business and consumer markets.”

domestic fiber network, which covers approximately 230,000 route miles. We experienced strong demand in 2012 for enterprise network services, which led to four consecutive quarters of recurring revenue growth and total year-over-year revenue growth in this segment of our business.

In late 2012, we launched savvisdirect, our simplified approach to cloud computing for businesses of all sizes. Early responses have been positive, and we believe savvisdirect offers the opportunity to gain market share in the fast-growing cloud segment. We also continued to expand Savvis Symphony, our industry-leading suite of enterprise cloud computing solutions, and, with the acquisition of certain assets of Ciber’s IT outsourcing business, we enhanced our capabilities in application management services and help-desk support.

Following our acquisition of Qwest in 2011, we have continued to evolve our customer-support organizations. In January 2013, we combined the organizations serving our enterprise and small-to-medium business customers into one operating group. This move is designed to streamline our end-to-end service delivery and sales to our network services enterprise customers and to maintain our local market focus for small- to medium-size businesses.

...with consumers

We also had success in the consumer market in 2012, adding nearly 200,000 high-speed Internet (HSI) customers in a year that saw stagnant HSI growth for the industry as a whole. We ended the year with more than 5.8 million broadband subscribers. Prism™ TV, our advanced entertainment service, added 45,000 subscribers in 2012, ending the year with 115,000 subscribers.

We continue to expand our broadband network, adding approximately one million new living units to our fiber-to-the-node (FTTN) infrastructure in 2012. We also enhanced our broadband speeds. More than 70 percent of our enabled access lines are now capable of speeds of 6Mbps or higher, nearly 60 percent are capable of 10Mbps or higher and 31 percent are capable of 20Mbps or higher. Nationwide, across our network backbone, and in more than 50 U.S. metro locations, we are capable of delivering speeds of 100Gbps.



Even as we expand and enhance our consumer offerings, we strive to maintain our personal, market-based service through our local operating model. We believe this model enables us to respond more effectively to each market’s unique customer and competitive mix, while delivering service with the personal touch that sets CenturyLink apart.

Investing in strategic growth initiatives

We compete in an environment that is broadband-enabled and Internet Protocol (IP)-driven. Our long-term investment focus is on developing the technologies and capabilities we need to deliver differentiated services, including managed hosting and IT services, with an outstanding customer experience. We identify and consistently invest in specific initiatives that will support our growth in strategic areas. Our 2012 progress was largely due to the investments we’ve made over the past several years.

We are investing to expand and enhance our broadband network and capabilities to meet rapidly growing demand for bandwidth and related services. We are investing in our FTTN initiative to enhance speeds and services for consumers. By year-end, we passed more than 7.1 million homes with FTTN technology. We extended our fiber network and expanded our Ethernet network over copper to provide higher speeds and IP-based services to business customers. In 2012, our Ethernet-over-copper footprint increased more than 80 percent to include more than 700 central offices.

We are also investing to expand the footprint and subscriber base of Prism™ TV, which represents a compelling entertainment alternative to cable TV. More than 50 percent of Prism™ TV subscribers are new CenturyLink customers, and we have experienced a 90 percent broadband pull-through rate with these customers. We operate in eight markets and pass more than one million homes. We plan to commercially launch service in Phoenix in the first half of 2013 and launch an additional market later in the year. In addition to expanding our Prism™ TV-enabled footprint, our focus in 2013 also will be on increasing our rate of subscriber growth in all Prism™ TV markets.



PRISM™ TV



Data Hosting

Expanding Links ▾

Consumer

- We added nearly 200,000 high-speed Internet (HSI) subscribers in 2012, a year that saw stagnant HSI growth for the industry as a whole.
- We expanded our fiber-to-the-node infrastructure in 2012 by approximately 1 million new living units, passing more than 7.1 million homes by year end.
- We added 45,000 new subscribers to our Prism™ TV entertainment service, ending the year with 115,000 subscribers.

\$2.9 BILLION

“We generated strong cash flows that enabled us to invest \$2.9 billion in our business in 2012 while returning more than \$1.8 billion to shareholders through dividend payments.”

We have invested aggressively since 2010 in deploying FTTH in our service areas, in order to capture growing revenues from wireless data transport demand. By strategically routing these deployments, we also extend our fiber network to additional potential business customers. We completed 4,520 fiber builds to cell towers in 2012, bringing the total to more than 14,700 towers, and we expect to build to another 4,000 to 4,500 towers in 2013. As we finish the migration from traditional copper-based connections to fiber-based connections, we believe our FTTH investments will have a positive, long-term impact on revenues.

With the acquisition of Savvis in 2011, we began investing in managed hosting and cloud services. In 2012 we continued to invest in data hosting and managed services capabilities that will enable us to provide complex end-to-end IT solutions and maximize the value of our network. We ended 2012 with 54 data centers and 1.4 million sellable square feet in North America, Europe and Asia. We introduced 100Gbps network connectivity service in Singapore and London. We expanded our capabilities in cloud computing, applications management and other services

while maintaining our reputation for excellence. In 2012, Savvis was recognized by Gartner, Inc. as a leader in the Magic Quadrant for Cloud Infrastructure as a Service and the Magic Quadrant for Managed Hosting.

Achieving synergies

We made excellent progress toward achieving operating expense synergies from the integration of Qwest into CenturyLink operations and systems. In 2012, we increased our total annualized operating expense synergy target to \$650 million from \$575 million. We achieved, ahead of schedule, our revised 2012 synergy target of \$480 million, which we had increased from \$465 million. This is in addition to the \$375 million in cost savings we have achieved from the 2009 Embarq acquisition.

From a systems perspective, we converted financial and human resources systems to a single platform. We also continued to make significant progress in the area of network integration. We significantly increased backbone capacity and deployed ultra-long haul equipment to facilitate network consolidation and reduce costs.



Fiber-to-the-Tower



Broadband Expertise

Enhancing shareholder value

We believe the financially disciplined manner in which we make key decisions has allowed us to successfully adapt to industry changes and deliver consistently solid performance for our shareholders.

We met our pro forma two-year gross debt repayment commitment of \$1.5 billion to \$2 billion by year-end 2012. We also extended our debt maturities through successful refinancing efforts that lowered our annual debt maturities over the next several years at favorable interest rates. We generated strong cash flows that enabled us to invest \$2.9 billion in our business in 2012 while returning more than \$1.8 billion to shareholders through dividend payments.

In February 2013, we announced changes to our capital allocation strategy, including the repurchase of up to an aggregate \$2 billion of outstanding common stock over the next two-year period ending Feb. 13, 2015, and the reduction of our quarterly dividend to \$0.54 per share from \$0.725 per share. These changes will enable us to maintain investment levels in our growth initiatives and return more cash to shareholders during 2013 and 2014, even as we reduce our dividend to a level that positions us to remain close to our historical payout ratio over the long term. We implemented this capital allocation strategy because we believe it offers the greatest potential to drive the future success of our business and deliver long-term shareholder value.

We will continue to seek and evaluate opportunities to enhance shareholder value. While we have grown through acquisitions for much of our history, we believe we now have the scale and scope to generate meaningful organic growth opportunities. The investments we are making in strategic growth areas are yielding positive results and generating strong momentum for the future.

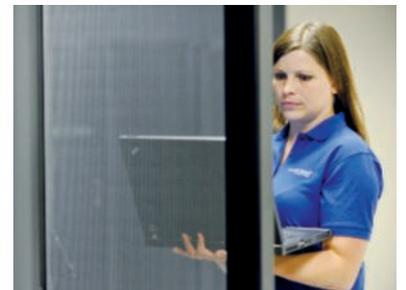
Today, we have greater visibility than we have ever had into the potential company that CenturyLink can become. By offering differentiated services with an outstanding customer experience, we have developed positions of strength in the business and consumer markets. We believe continued investment in strategic growth areas will generate additional revenue opportunities in the near term, and enable us to make meaningful progress toward achieving growth and creating value over the long term.

We thank you for your continued confidence in CenturyLink, its management team and employees. We will work diligently in 2013 to once again deliver strong results for our customers and shareholders, and further enhance our long-term growth potential.

Glen F. Post, III
Chief Executive Officer and President



Our employees are guided by our Unifying Principles: fairness, honesty and integrity, commitment to excellence, positive attitude, respect, faith and perseverance.



Even as CenturyLink becomes a larger, more diverse company, our employees keep our customers at the center of everything we do.

Financial Highlights

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

	2012	2011	2010	2009	2008	2007	5-year CAGR ⁽¹⁾
Operating revenues	\$ 18,376	15,351	7,042	4,974	2,600	2,656	47.2 %
Operating income	\$ 2,713	2,025	2,060	1,233	721	793	27.9 %
Depreciation and amortization	\$ 4,780	4,026	1,434	975	524	536	54.9 %
Net income before extraordinary item	\$ 777	573	948	511	366	418	13.2 %
Diluted earnings per share before extraordinary item	\$ 1.25	1.07	3.13	2.55	3.52	3.71	(19.6)%
Net cash provided by operating activities	\$ 6,065	4,201	2,045	1,574	853	1,030	42.6 %
Capital expenditures	\$ 2,919	2,411	864	755	287	326	55.0 %
Repurchase of common stock and common dividends paid	\$ 1,848	1,587	896	576	567	490	30.4 %
Book value per share	\$ 30.82	33.66	31.61	31.62	31.54	31.25	(0.3)%
Dividends per common share	\$ 2.90	2.90	2.90	2.80	2.1675	0.26	62.0 %
Average diluted shares outstanding	622,285	534,121	301,297	199,057	102,560	112,787	40.7 %
Total assets	\$ 54,020	56,139	22,038	22,563	8,254	8,185	45.9 %
Long-term debt, including current portion and short-term debt	\$ 20,605	21,836	7,328	7,754	3,315	3,014	46.9 %
Stockholders' equity	\$ 19,289	20,827	9,647	9,467	3,168	3,416	41.4 %
Telephone access lines ⁽²⁾	13,748	14,584	6,489	7,025	2,025	2,152	44.9 %
Broadband subscribers ⁽³⁾	5,848	5,652	2,349	2,186	626	541	61.0 %

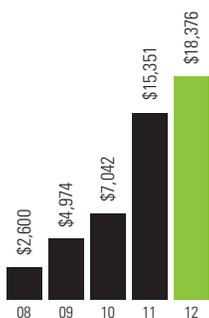
⁽¹⁾ Five-year compounded annual growth rate

⁽²⁾ During 2011, we updated our methodology for counting access lines. 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 for counting access lines may not be comparable to those of other companies.

⁽³⁾ During 2012, we updated our methodology for counting broadband subscribers to include residential, business and wholesale subscribers instead of only residential and small business subscribers.

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 2013 Proxy Statement ("Proxy Statement") and 2012 Annual Report on Form 10-K ("Form 10-K") filed with the Securities and Exchange Commission. The Proxy Statement will be mailed to shareholders.

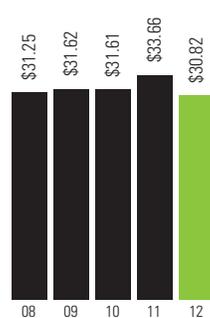
A copy of our Form 10-K can be obtained at no charge by contacting our Investor Relations department at 800.833.1188 or by accessing our website at www.centurylink.com.



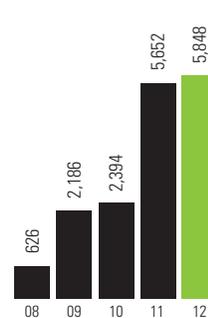
Operating Revenues
in millions



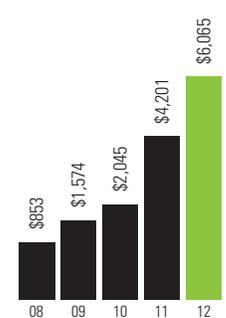
Net Income Before Extraordinary Item
in millions



Book Value Per Share

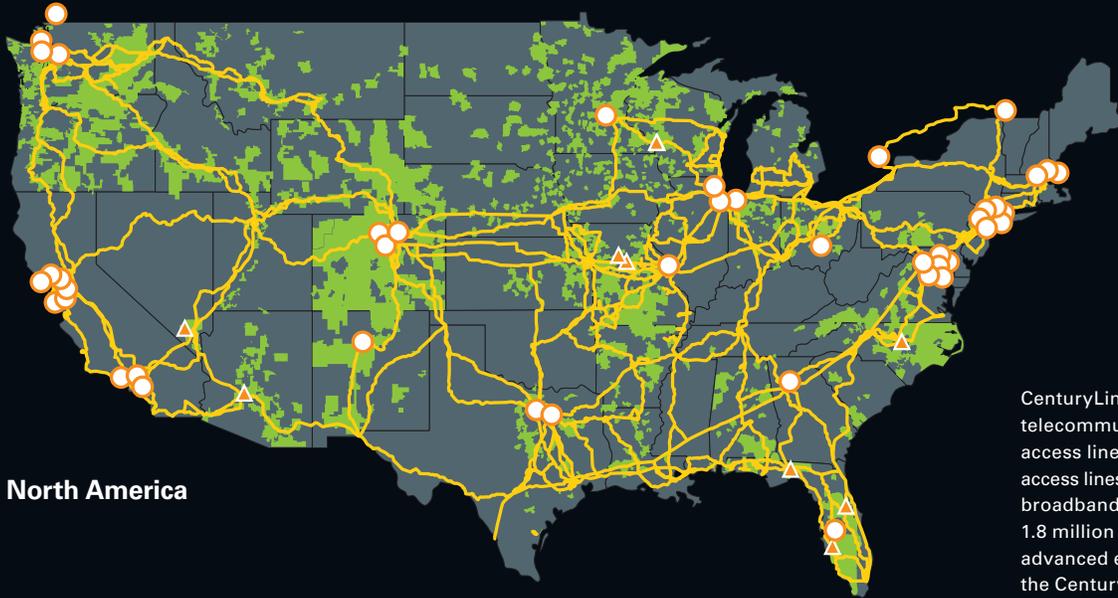


Broadband Subscribers
in thousands



Net Cash Provided by Operating Activities
in millions

Our Networks



North America



Europe

Asia Pacific

- CenturyLink Local Service Areas
- | CenturyLink Fiber
- Savvis Data Centers
- ▲ CenturyLink® Prism™ TV Markets

CenturyLink is the third largest U.S. telecommunications provider based on access lines, with more than 13.7 million access lines. We serve more than 5.8 million broadband customers and more than 1.8 million video customers. We offer advanced entertainment services under the CenturyLink® Prism™ TV and DIRECTV brands.

Our total global network exceeds 430,000 miles, consisting of our 230,000-route-mile fiber network that spans the U.S. from coast to coast and more than 200,000 miles of international fiber, both leased and owned. We have 54 data centers and 1.4 million sellable square feet in North America, Europe and Asia. Through our global network, we can provide seamless service offerings to business customers, including voice, Ethernet, IP-based applications, managed hosting and cloud services.

At a Glance ▼

13.7M	access lines
5.8M	broadband customers
1.88M	video customers
230,000	US route-mile fiber network
430,000	miles of total global network

Our Leadership



Glen F. Post, III

Chief Executive Officer
and President



O. Matthew Beal

Senior Vice President and
Chief Technology Officer,
Corporate Strategy and
Product Development



William E. Cheek

President, Wholesale
Markets Group



Steven Davis

Executive Vice President,
Public Policy and
Government Relations



R. Stewart Ewing, Jr.

Executive Vice President,
Chief Financial Officer
and Assistant Secretary



Stacey W. Goff

Executive Vice President,
General Counsel
and Secretary



Thomas J. McEvoy

Senior Vice President,
IT Consulting and
Solutions



Maxine Moreau

Senior Vice President,
Network Services



Karen A. Puckett

Executive Vice President
and Chief Operating
Officer



Girish Varma

Executive Vice President,
Information Technology
Services



Jeff Von Deylen

President, Savvis

Shareholder Information

Trading and dividend information

2012	High	Low	Close	Dividends Declared
1st quarter	\$40.54	\$36.25	\$38.65	\$.725
2nd quarter	39.89	36.91	39.49	.725
3rd quarter	43.43	38.96	40.40	.725
4th quarter	40.49	36.52	39.12	.725

2011	High	Low	Close	Dividends Declared
1st quarter	\$46.78	\$39.45	\$41.55	\$.725
2nd quarter	43.49	38.66	40.43	.725
3rd quarter	41.32	31.75	33.12	.725
4th quarter	38.01	31.16	37.20	.725

CenturyLink, Inc. stock

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

Projected dividend dates*

	Record Date	Payment Date
1st quarter	Monday March 11, 2013	Friday March 22, 2013
2nd quarter	Monday June 3, 2013	Friday June 14, 2013
3rd quarter	Friday September 6, 2013	Thursday September 19, 2013
4th quarter	Monday November 25, 2013	Friday December 6, 2013

*Subject to discretion of the CenturyLink Board of Directors.

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 website at ir.centurylink.com or its Corporate website 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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Monroe, Louisiana 71203
800.833.1188 Telephone
318.388.9064 Fax
kari.colvin@centurylink.com

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 22, 2013, at 10 a.m. Central Time at the following location:

Corporate Headquarters
100 CenturyLink Drive
Monroe, Louisiana 71203

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, 2012, for a description of these and other uncertainties related to our business.



CenturyLink, Inc.

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