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prospects, and the Discount Rate to Qwest's terminal year projected unlevered free cash flows. The terminal year projected unlevered free cash flow was calculated by extending the projection period one year beyond fiscal year 2014 to reflect a normalized state of the business. The cash flows and Qwest terminal values were then discounted to present value using the Discount Rate. The resulting per share equity reference ranges for Qwest, before taking into account estimated merger synergies, were then calculated by subtracting debt and debt equivalents, and the present value of future cash contributions to employee pension and other post employment benefit programs, and adding cash and cash equivalents, investments and the present value of tax attributes to Qwest's estimated firm value, and then dividing such amount by the fully diluted shares of Qwest common stock.

In calculating the estimated firm value of CenturyLink using the discounted cash flow methodology, Barclays Capital, Evercore and J.P. Morgan added (i) the present value of CenturyLink's projected after-tax unlevered free cash flows for the last nine months of fiscal year 2010 through fiscal year 2014 to (ii) the present value of CenturyLink's residual after-tax unlevered free cash flows for the fiscal years following 2014, or the CenturyLink terminal value. The after tax unlevered free cash flows were calculated by subtracting taxes and capital expenditures from EBITDA and adjusting for changes in working capital and other cash flow items. The CenturyLink terminal value was estimated by applying selected ranges of perpetual growth rates of -2.0% to 0.0% which were estimated based on analyzing CenturyLink's long-term historical and projected growth prospects, and the Discount Rate to CenturyLink's terminal year projected unlevered free cash flows. The terminal year projected unlevered free cash flow was calculated by extending the projection period one year beyond fiscal year 2014 to reflect a normalized state of the business. The cash flows and CenturyLink terminal values were then discounted to present value using the Discount Rate. The resulting per share equity reference ranges for CenturyLink were then calculated by subtracting debt and debt equivalents, the present value of future cash contributions to employee pension programs, and minority interests and adding cash and cash equivalents to CenturyLink's estimated firm value, and then dividing such amount by the fully diluted shares of CenturyLink common stock.

The exchange ratio reference ranges were calculated by taking the lowest derived Qwest stock price and dividing it by the highest derived CenturyLink stock price to arrive at the low end of the range while the highest derived Qwest stock price was divided by the lowest derived CenturyLink stock price to arrive at the high end of the range. Based on the resulting per share equity reference ranges for both Qwest and CenturyLink, before taking into account estimated merger synergies, this analysis indicated the following exchange ratio reference range, as compared to the exchange ratio provided for in the merger agreement:

Exchange Ratio Reference Range	Merger Agreement
	<u>Exchange Ratio</u>
0.0995x to 0.1941x	0.1664x
<i>Has/Gets Analysis</i>	

Barclays Capital, Evercore Group and J.P. Morgan also reviewed the following metrics derived from the exchange ratio provided for in the merger agreement for both CenturyLink and Qwest:

- Implied per share equity price based on discounted cash flow analysis
- Implied per share equity price based on market based synergy sharing analysis

With respect to the implied per share equity price based on discounted cash flow analysis, Barclays Capital, Evercore, and J.P. Morgan assumed 7.25% weighted average cost of capital, which we refer to as WACC, and 1.0% terminal growth rate for CenturyLink, and 7.75% WACC and 0.5% terminal growth rate for Qwest. The pro forma implied equity value was equal to CenturyLink's pro forma ownership (based on a 50.5%/49.5% CenturyLink/Qwest ownership split) of: (i) (a) CenturyLink's stand-alone discounted cash flow implied equity value based on the CenturyLink Management Estimates of CenturyLink, plus (b) Qwest's stand-alone discounted cash flow implied equity value based on the CenturyLink Management Estimates of Qwest, plus (c) the present value of the estimated merger synergies (excluding certain nonrecurring transaction and integration costs) expected by CenturyLink management to be realized from the proposed merger, plus

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(d) the present value of Qwest's NOLs usage acceleration as a result of the proposed merger, less (e) estimated transaction expenses, divided by (ii) pro forma diluted shares outstanding.

With respect to the implied per share equity price based on market based synergy sharing analysis, Barclays Capital, Evercore, and J.P. Morgan assumed the pro forma implied equity value was equal to CenturyLink's pro forma ownership (based on a 50.5%/49.5% CenturyLink/Qwest ownership split) of: (i) (a) CenturyLink's publicly traded equity value, plus (b) Qwest's publicly traded equity value, plus (c) the present value of the estimated merger synergies (excluding certain nonrecurring transaction and integration costs) expected by CenturyLink's management to be realized from the proposed merger, plus (d) the present value of Qwest's NOLs usage acceleration as a result of the proposed merger, less (e) estimated transaction expenses, divided by (ii) pro forma diluted shares outstanding.

Financial data of CenturyLink and Qwest, including estimated merger synergies (excluding certain nonrecurring transaction and integration costs) expected to be realized from the proposed merger, were based on the CenturyLink Management Estimates. Based on such financial metrics, Barclays Capital, Evercore Group and J.P. Morgan compared the per share metrics of CenturyLink and Qwest both prior to the proposed merger (calculated by dividing each metric by the fully diluted shares of CenturyLink common stock and Qwest common stock, respectively) and after consummation of the proposed merger (calculated by dividing each metric by the fully diluted shares of CenturyLink common stock and Qwest common stock, respectively, after taking into account the exchange ratio provided for in the merger agreement). This comparison indicated that, based on the exchange ratio provided for in the merger agreement, implied per share values of CenturyLink based on both the discounted cash flow analysis and the market based synergy sharing analysis would be value accretive as follows:

	<u>CenturyLink</u>
Implied per share equity price based on discounted cash flow analysis	5.9%
Implied per share equity price based on market based synergy sharing analysis	7.1%

Opinions of Qwest's Financial Advisors

Opinion of Lazard Frères & Co. LLC

In connection with the merger, on April 21, 2010, Lazard rendered its oral opinion to the Qwest board of directors, subsequently confirmed in writing, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the exchange ratio of 0.1664 shares of CenturyLink common stock for each share of Qwest common stock was fair, from a financial point of view, to holders of Qwest common stock.

The full text of Lazard's written opinion, dated April 21, 2010, which sets forth the assumptions made, procedures followed, factors considered, and qualifications and limitations on the review undertaken by Lazard in connection with its opinion, is attached to this joint proxy statement-prospectus as Annex E and is incorporated into this joint proxy statement-prospectus by reference. We encourage you to read Lazard's opinion and this section carefully and in their entirety.

Lazard's opinion was directed to the Qwest board of directors for the information and assistance of the Qwest board of directors in connection with its evaluation of the merger and addressed only the fairness as of the date of the opinion, from a financial point of view, of the exchange ratio to the holders of the Qwest common stock. Lazard's opinion was not intended to, and does not constitute a recommendation to any stockholder of Qwest as to how such stockholder should vote or act with respect to the merger or any matter relating thereto. Lazard's opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Lazard as of, the date of the opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the opinion. Lazard did not express any opinion as to the prices at which shares of Qwest common stock or CenturyLink common stock may trade at any time subsequent to the announcement of the merger.

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In connection with its opinion, Lazard:

- reviewed the financial terms and conditions of a draft, dated April 21, 2010, of the merger agreement;
- analyzed certain publicly available historical business and financial information relating to Qwest and CenturyLink;
- reviewed various financial forecasts and other data provided to Lazard by Qwest relating to the business of Qwest, financial forecasts and other data provided to Lazard by CenturyLink relating to the business of CenturyLink, the projected synergies and other benefits, including the amount and timing thereof, anticipated by the management of Qwest and CenturyLink to be realized from the merger, which are referred to in this Lazard opinion summary section as the expected synergies, and certain publicly available financial forecasts and other data relating to the businesses of Qwest and CenturyLink;
- held discussions with members of the senior management of Qwest and CenturyLink with respect to the businesses and prospects of Qwest and CenturyLink, respectively, and with respect to the expected synergies;
- reviewed public information with respect to certain other companies in lines of business Lazard believed to be generally relevant in evaluating the businesses of Qwest and CenturyLink, respectively;
- reviewed the financial terms of certain business combinations involving companies in lines of business Lazard believed to be generally relevant in evaluating the businesses of Qwest and CenturyLink, respectively;
- reviewed historical stock prices and trading volumes of Qwest common stock and CenturyLink common stock;
- reviewed the potential pro forma financial impact of the merger on CenturyLink based on the financial forecasts referred to above related to Qwest and CenturyLink; and
- conducted such other financial studies, analyses and investigations as Lazard deemed appropriate.

Lazard assumed and relied upon the accuracy and completeness of the foregoing information, without independent verification of such information. Lazard did not conduct any independent valuation or appraisal of any of the assets or liabilities (contingent or otherwise) of Qwest or CenturyLink or concerning the solvency or fair value of Qwest or CenturyLink, and was not furnished with such valuation or appraisal. With respect to the financial forecasts that Lazard reviewed, Lazard assumed, with the consent of Qwest, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Qwest and CenturyLink as to the future financial performance of Qwest and CenturyLink, respectively. With respect to the expected synergies, Lazard assumed, with the consent of Qwest, that the estimates of the amounts and timing of the expected synergies were reasonable and that the expected synergies will be realized substantially in accordance with such estimates. Lazard assumed no responsibility for and expressed no view as to such forecasts or the assumptions on which they were based.

In rendering its opinion, Lazard assumed, with the consent of Qwest, that the merger would be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Representatives of Qwest advised Lazard, and Lazard assumed, that the merger agreement, when executed, would conform to the draft reviewed by Lazard in all material respects. Lazard also assumed, with the consent of Qwest, that obtaining the necessary regulatory or third party approvals and consents for the merger would not have a material adverse effect on Qwest, CenturyLink or the combined company. Lazard further assumed that the merger would qualify for U.S. federal income tax purposes as a reorganization within the meaning of the Code. Lazard did not express any opinion as to any tax or other consequences that might result from the merger, nor did Lazard's opinion address any legal, tax, regulatory or accounting matters, as to which Lazard understood that Qwest obtained such advice as it deemed necessary from qualified professionals. Lazard expressed no view or opinion as to any terms or other aspects of the merger (other than the exchange ratio to the extent expressly specified in the opinion). In addition, Lazard expressed no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the

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compensation to any officers, directors or employees of any parties to the merger, or class of such persons, relative to the exchange ratio or otherwise.

In rendering its opinion, Lazard was not authorized to, and did not, solicit indications of interest from third parties regarding a potential transaction with Qwest, and its opinion does not address the relative merits of the merger as compared to any other transaction or business strategy in which Qwest might engage or the merits of the underlying decision by Qwest to engage in the merger.

The exchange ratio was determined through arm's-length negotiations between Qwest and CenturyLink and was approved by the Qwest board of directors. Lazard provided advice to Qwest during these negotiations. Lazard did not, however, recommend any specific exchange ratio to Qwest or that any specific exchange ratio constituted the only appropriate merger consideration for the merger. The opinion of Lazard was only one of many factors taken into consideration by the Qwest board of directors in its evaluation of the merger. Consequently, the analyses described below should not be viewed as determinative of the views of the Qwest board of directors or Qwest's management with respect to the merger or exchange ratio.

Lazard is an internationally recognized investment banking firm providing a full range of financial advisory and other services. Lazard was selected to act as investment banker to Qwest because of its qualifications, expertise and reputation in investment banking and mergers and acquisitions, as well as its familiarity with the business of Qwest.

In connection with Lazard's services as financial advisor to Qwest, Qwest agreed to pay Lazard a fee of \$20 million in the aggregate, \$6 million of which was payable upon rendering of its opinion and \$14 million of which is contingent upon the consummation of the merger. Qwest also agreed to reimburse Lazard for certain expenses incurred in connection with Lazard's engagement and to indemnify Lazard and certain related persons under certain circumstances against certain liabilities that may arise from or related to Lazard's engagement, including certain liabilities under U.S. federal securities laws.

Lazard, as part of its investment banking business, is continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, leveraged buyouts, and valuations for estate, corporate and other purposes. In addition, in the ordinary course of their respective businesses, affiliates of Lazard and LFCM Holdings LLC (an entity indirectly owned in large part by managing directors of Lazard) may actively trade securities of Qwest or CenturyLink for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a long or short position in such securities. The issuance of Lazard's opinion was approved by the opinion committee of Lazard.

In connection with rendering its opinion, Lazard performed certain financial, comparative and other analyses that Lazard deemed appropriate in connection with rendering its opinion as summarized below under "Opinions of Qwest's Financial Advisors — Summary of Joint Financial Analyses of Lazard, Deutsche Bank and Morgan Stanley." The brief summary of Lazard's analyses and reviews provided below are not a complete description of the analyses and reviews underlying Lazard's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and review and the application of those methods to particular circumstances, and, therefore, is not readily susceptible to partial analysis or summary description. Considering selected portions of the analyses and reviews or the summary set forth below, without considering the analyses and reviews as a whole, could create an incomplete or misleading view of the analyses and reviews underlying Lazard's opinion. In arriving at its opinion, Lazard considered the results of all of its analyses and reviews and did not attribute a particular weight to any factor, analysis or review considered by it; rather, Lazard made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses and reviews.

For purposes of its analyses and reviews, Lazard considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Qwest and CenturyLink. No company, business or transaction used in Lazard's analyses and reviews as a comparison is identical to Qwest, CenturyLink or the merger, and an evaluation of the results of those analyses is not

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entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, businesses or transactions used in Lazard's analyses and reviews. The estimates contained in Lazard's analyses and reviews and the ranges of valuations resulting from any particular analysis or review are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by Lazard's analyses and reviews. In addition, analyses relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Lazard's analyses are inherently subject to substantial uncertainty.

Opinion of Deutsche Bank Securities Inc.

In connection with the merger, on April 21, 2010, Deutsche Bank rendered its oral opinion to the Qwest board of directors, subsequently confirmed in writing, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the exchange ratio of 0.1664 shares of CenturyLink common stock for each share of Qwest common stock was fair, from a financial point of view, to the holders of Qwest common stock.

The full text of Deutsche Bank's written opinion, dated April 21, 2010, which sets forth, among other things, the assumptions made, matters considered and limitations, qualifications and conditions of the review undertaken by Deutsche Bank in connection with the opinion, is attached as Annex F to this joint proxy statement prospectus and is incorporated herein by reference. **The Deutsche Bank opinion is addressed to, and is for the use and benefit of, the board of directors of Qwest. The Deutsche Bank opinion is not a recommendation to the stockholders of Qwest or any other person to approve the merger. The Deutsche Bank opinion is limited to the fairness, from a financial point of view, of the exchange ratio to the holders of Qwest common stock. Deutsche Bank was not asked to, and its opinion did not, address the fairness of the merger, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of Qwest, nor did it address the fairness of the contemplated benefits of the merger. Deutsche Bank was not asked to, and did not, solicit third party indications of interest in the acquisition of all of Qwest, and Deutsche Bank expressed no opinion as to the merits of the underlying decision by Qwest to engage in the merger or the relative merits of the merger as compared to alternative business strategies, nor did it express any opinion as to how any holder of shares of Qwest common stock or any other person should vote with respect to the merger. Deutsche Bank did not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of Qwest's officers, directors, or employees, or any class of such persons, in connection with the merger relative to the consideration to be received by the holders of the Qwest common stock. The holders of Qwest common stock are urged to read the Deutsche Bank opinion in its entirety. The summary of the Deutsche Bank opinion set forth in this joint proxy statement prospectus is qualified in its entirety by reference to the full text of the Deutsche Bank opinion set forth as Annex F.**

In connection with Deutsche Bank's role as financial advisor to Qwest, and in arriving at its opinion, Deutsche Bank has, among other things, reviewed certain publicly available financial and other information concerning Qwest and CenturyLink, certain internal analyses, financial forecasts and other information relating to Qwest prepared by the management of Qwest and certain internal analyses, financial forecasts and other information relating to CenturyLink prepared by management of CenturyLink, including the amounts of certain synergies estimated by Qwest and CenturyLink to result from the merger, which are referred to in this Deutsche Bank opinion summary section as the expected synergies. Deutsche Bank also held discussions with senior officers and other representatives and advisors of Qwest and CenturyLink regarding the respective businesses and prospects of Qwest and CenturyLink. In addition, Deutsche Bank:

- reviewed the reported prices and trading activity for the Qwest common stock and the CenturyLink common stock;

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- to the extent publicly available, compared certain financial and stock market information for Qwest and CenturyLink with similar information for certain other companies Deutsche Bank considered relevant whose securities are publicly traded;
- to the extent publicly available, reviewed the financial terms of certain recent business combinations which Deutsche Bank deemed relevant;
- reviewed a draft dated April 21, 2010 of the merger agreement;
- reviewed the pro forma impact of the merger on CenturyLink's earnings per share, cash flow, consolidated capitalization and financial ratios; and
- performed such other studies and analyses and considered such other factors as Deutsche Bank deemed appropriate.

In preparing its opinion, Deutsche Bank did not assume responsibility for the independent verification of, and did not independently verify, any information, whether publicly available or furnished to it, concerning Qwest or CenturyLink. Accordingly, for purposes of its opinion, with Qwest's permission, Deutsche Bank assumed and relied upon the accuracy and completeness of all such information. Deutsche Bank did not conduct a physical inspection of any of the properties or assets, and did not prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance sheet assets and liabilities), of Qwest or CenturyLink or any of their respective subsidiaries, nor did Deutsche Bank evaluate the solvency or fair value of Qwest under any state or federal law relating to bankruptcy, insolvency or similar matters. With respect to the financial forecasts made available to Deutsche Bank and used in its analysis, Deutsche Bank assumed, with Qwest's permission, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Qwest and CenturyLink as to the matters covered thereby. With respect to the expected synergies, Deutsche Bank, with Qwest's permission, assumed that the estimates of the amounts and timing of the expected synergies were reasonable and, upon the advice of Qwest, also assumed that the expected synergies would be realized substantially in accordance with such estimates. In rendering its opinion, Deutsche Bank expressed no view as to the reasonableness of such forecasts, projections or estimates or the assumptions on which they were based.

The Deutsche Bank opinion was necessarily based upon the economic, market and other conditions as in effect on, and the information made available to Deutsche Bank as of, the date of its opinion. Deutsche Bank expressly disclaimed any undertaking or obligation to advise any person of any change in any fact or matter affecting the Deutsche Bank opinion of which Deutsche Bank becomes aware after the date of its opinion.

For purposes of rendering its opinion, Deutsche Bank, with Qwest's permission, has assumed, that, in all respects material to its analysis:

- the merger would be consummated in accordance with its terms, without any material waiver, modification or amendment of any term, condition or agreement; and
- all material governmental, regulatory or other approvals and consents required in connection with the consummation of the merger will be obtained and that in connection with obtaining any approvals and consents, no material restrictions will be imposed.

Deutsche Bank is not a legal, regulatory, tax or accounting expert and Deutsche Bank relied on the assessments made by Qwest and its advisors with respect to these issues.

The board of directors of Qwest selected Deutsche Bank as financial advisor in connection with the merger based on Deutsche Bank's qualifications, expertise, reputation and experience in mergers and acquisitions. Qwest has retained Deutsche Bank pursuant to an engagement letter agreement dated April 20, 2010. As compensation for Deutsche Bank's services in connection with the merger, Qwest agreed to pay a transaction fee of \$15 million, \$4.5 million of which was payable upon the announcement of the merger and \$10.5 million of which is contingent upon consummation of the merger. Regardless of whether the merger is consummated, Qwest agreed to reimburse Deutsche Bank for reasonable fees, expenses and disbursements of Deutsche Bank's counsel and all of Deutsche Bank's reasonable travel and other out-of-pocket expenses incurred in connection with the merger or

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otherwise arising out of the engagement of Deutsche Bank under the engagement letter. Qwest also agreed to indemnify Deutsche Bank and certain related persons to the full extent lawful against certain liabilities, including certain liabilities under the federal securities laws arising out of its engagement or the merger.

Deutsche Bank is an affiliate of Deutsche Bank AG, which, together with its affiliates, we refer to as the DB Group. In the past two years, one or more members of the DB Group provided, from time to time, investment banking, commercial banking (including extension of credit) and other financial services to Qwest or its affiliates for which it received compensation, including a recent high-yield bond offering, a revolving credit facility and letter of credit and advising as to the valuation of one of Qwest's businesses. DB Group may also provide investment and commercial banking services to Qwest and CenturyLink and their respective affiliates in the future, for which DB Group would expect to receive compensation. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of CenturyLink and Qwest for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in these securities, instruments and obligations.

Set forth below under "Opinions of Qwest's Financial Advisors — Summary of Joint Financial Analyses of Lazard, Deutsche Bank and Morgan Stanley" is a brief summary of certain financial analyses performed by Deutsche Bank in connection with its opinion and reviewed with the Qwest board of directors at its meeting on April 21, 2010, but is not a comprehensive description of all analyses performed and factors considered by Deutsche Bank in connection with preparing its opinion. The preparation of a fairness opinion is a complex analytical process involving the application of subjective business judgment in determining the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, is not readily susceptible to partial analysis or summary description. Deutsche Bank believes that its analyses must be considered as a whole and that considering any portion of such analyses and of the factors considered without considering all analyses and factors could create an incomplete or misleading view of the process underlying the opinion. In arriving at its fairness determination, Deutsche Bank did not assign specific weights to any particular analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Deutsche Bank's financial analyses.

The exchange ratio was determined through arm's-length negotiations between Qwest and CenturyLink and was approved by the Qwest board of directors. Deutsche Bank provided advice to Qwest during these negotiations. Deutsche Bank did not, however, recommend any specific exchange ratio to Qwest or that any specific exchange ratio constituted the only appropriate merger consideration for the merger. Deutsche Bank's opinion and its presentation to the Qwest board of directors were only one of many factors taken into consideration by the Qwest board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described below under "Summary of Joint Financial Analyses" should not be viewed as determinative of the view of the Qwest board of directors with respect to the exchange ratio or of whether the Qwest board of directors would have been willing to agree to a different exchange ratio. Deutsche Bank's opinion was approved by a committee of Deutsche Bank investment banking professionals in accordance with its customary practice.

In conducting its analyses and arriving at its opinion, Deutsche Bank utilized a variety of generally accepted valuation methods. Except as described below, Qwest did not instruct Deutsche Bank and did not impose any limitations on the investigations made by Deutsche Bank in rendering its opinion. The analyses were prepared solely for the purpose of enabling Deutsche Bank to provide its opinion to the board of directors of Qwest as to the fairness of exchange ratio from a financial point of view, to the holders of the outstanding shares of Qwest's common stock and do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold or traded, which are inherently subject to uncertainty. In connection with its analyses, Deutsche Bank made, and was provided by Qwest's and CenturyLink's management with, numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond Qwest's or CenturyLink's control. Analyses based on estimates or forecasts of future results are not necessarily indicative of actual past or future values or results, which may be significantly more or less favorable than suggested by such analyses. Because such analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors,

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neither Deutsche Bank nor any other person assumes responsibility if future results or actual values are materially different from these forecasts or assumptions.

Opinion of Morgan Stanley & Co. Incorporated

In connection with the merger, on April 21, 2010, Morgan Stanley rendered its oral opinion to the Qwest board of directors, subsequently confirmed in writing, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the exchange ratio of 0.1664 shares of CenturyLink common stock for each share of Qwest common stock was fair, from a financial point of view to the holders of shares of Qwest common stock.

The full text of Morgan Stanley's written fairness opinion dated April 21, 2010, is attached as Annex G to this joint proxy statement-prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, factors considered and limitations upon the review undertaken by Morgan Stanley in rendering its opinion. This summary is qualified in its entirety by reference to the full text of such opinion. Morgan Stanley's opinion is directed to the Qwest board of directors, addresses only the fairness of the exchange ratio from a financial point of view of to the holders of shares of Qwest common stock, and does not address any other aspect of the merger or constitute a recommendation as to how any stockholder of Qwest or shareholder of CenturyLink should vote at any meetings held in connection with the merger.

In arriving at its opinion, Morgan Stanley, among other things:

- reviewed certain publicly available financial statements and other business and financial information of Qwest and CenturyLink, respectively;
- reviewed certain internal financial statements and other financial and operating data concerning Qwest and CenturyLink, respectively;
- reviewed certain financial projections prepared by the managements of Qwest and CenturyLink, respectively;
- reviewed information relating to certain strategic, financial and operational benefits anticipated from the merger, prepared by the managements of Qwest and CenturyLink, respectively;
- discussed the past and current operations and financial condition and the prospects of Qwest, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of Qwest;
- discussed the past and current operations and financial condition and the prospects of CenturyLink, including information relating to certain strategic, financial and operational benefits anticipated from the merger, with senior executives of CenturyLink;
- reviewed the pro forma impact of the merger on CenturyLink's earnings per share, cash flow, consolidated capitalization and financial ratios;
- reviewed the reported prices and trading activity for the Qwest common stock and the CenturyLink common stock;
- compared the financial performance of Qwest and CenturyLink and the prices and trading activity of the Qwest common stock and the CenturyLink common stock with that of certain other publicly traded companies comparable with Qwest and CenturyLink, respectively, and their securities;
- reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;
- reviewed the merger agreement and certain related documents; and
- performed such other analyses and considered such other factors as Morgan Stanley deemed appropriate.

In arriving at its opinion, Morgan Stanley assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made

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available to Morgan Stanley by Qwest and CenturyLink, and formed a substantial basis for its opinion. With respect to the financial projections, and information relating to certain strategic, financial and operational benefits anticipated from the merger, which are referred to in this Morgan Stanley opinion summary section as the expected synergies, provided to Morgan Stanley by Qwest and CenturyLink, Morgan Stanley assumed that such projections and information had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Qwest and CenturyLink regarding the future financial performance of Qwest and CenturyLink, and that the expected synergies would be realized substantially in accordance with the amounts and timing estimated by such managements. In addition, Morgan Stanley assumed that the merger will be consummated in accordance with the terms set forth in the merger agreement without any waiver, amendment or delay of any terms or conditions, including, among other things, that the merger will be treated as a tax-free reorganization and/or exchange, each pursuant to the Code. Morgan Stanley relied upon, without independent verification, the assessment by the managements of Qwest and CenturyLink of: (i) the strategic, financial and other benefits expected to result from the merger; (ii) the timing and risks associated with the integration of Qwest and CenturyLink; (iii) their ability to retain key employees of Qwest and CenturyLink, respectively; and (iv) the validity of, and risks associated with, Qwest and CenturyLink's existing and future technologies, intellectual property, products, services and business models. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the proposed merger, no delays, limitations, conditions or restrictions will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived in the merger. Morgan Stanley is not a legal, tax or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessment of Qwest and CenturyLink and Qwest's and CenturyLink's legal, tax, regulatory advisors with respect to legal, tax and regulatory matters. Morgan Stanley did not address in its opinion the fairness of the amount or nature of any compensation to any of Qwest's officers, directors or employees, or any class of such persons, relative to the consideration to be received by the holders of shares of Qwest common stock in the merger. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Qwest, nor was Morgan Stanley furnished with any such appraisals. Morgan Stanley's opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Morgan Stanley as of the date of its opinion. Events occurring after the date of Morgan Stanley's opinion may affect its opinion and the assumptions used in preparing it, and Morgan Stanley did not assume any obligation to update, revise or reaffirm its opinion.

In connection with the review of the merger by the Qwest board of directors, Morgan Stanley performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily susceptible to a partial analysis or summary description. In arriving at its opinion, Morgan Stanley considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Morgan Stanley believes that selecting any portion of its analyses, without considering all analyses as a whole, would create an incomplete view of the process underlying its analyses and opinion. In addition, Morgan Stanley may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described below should not be taken to be Morgan Stanley's view of the actual value of Qwest. In performing its analyses, Morgan Stanley made assumptions with respect to industry performance, general business and economic conditions and other matters. Many of these assumptions relate to factors that are beyond the control of Qwest or CenturyLink. Any estimates contained in Morgan Stanley's analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

In arriving at its opinion, Morgan Stanley was not authorized by Qwest to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction, involving Qwest.

Morgan Stanley conducted the analyses described below under "Opinions of Qwest Financial Advisors — Summary of Joint Financial Analyses of Lazard, Deutsche Bank and Morgan Stanley" solely as part of its analysis of the fairness of the exchange ratio pursuant to the merger agreement from a financial point of view.

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to the holders of Qwest's common stock and in connection with the delivery of its opinion to the Qwest board of directors. These analyses do not purport to be appraisals or to reflect the prices at which shares of Qwest's common stock might actually trade.

The exchange ratio was determined through arm's-length negotiations between Qwest and CenturyLink and was approved by the Qwest board of directors. Morgan Stanley provided advice to Qwest during these negotiations. Morgan Stanley did not, however, recommend any specific exchange ratio to Qwest or that any specific exchange ratio constituted the only appropriate merger consideration for the merger.

Morgan Stanley's opinion and its presentation to the Qwest board of directors was one of many factors taken into consideration by the Qwest board of directors in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described below under "Opinions of Qwest Financial Advisors — Summary of Joint Financial Analyses of Lazard, Deutsche Bank and Morgan Stanley" should not be viewed as determinative of the view of the Qwest board of directors with respect to the exchange ratio or of whether the Qwest board of directors would have been willing to agree to a different exchange ratio. Morgan Stanley's opinion was approved by a committee of Morgan Stanley investment banking and other professionals in accordance with its customary practice.

Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Morgan Stanley's securities business is engaged in securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the CenturyLink, Qwest, or any other company, or any currency or commodity, that may be involved in the merger, or any related derivative instrument.

Qwest retained Morgan Stanley to act as its financial advisor in connection with the merger because of its qualifications, expertise and reputation. As compensation for its services, Qwest has agreed to pay Morgan Stanley a fee of \$15 million in the aggregate, \$4.5 million of which was payable upon rendering of its opinion and \$10.5 million of which is contingent upon the consummation of the merger. Qwest has also agreed to reimburse Morgan Stanley for its expenses incurred in performing its services. In addition, CenturyLink has agreed to indemnify Morgan Stanley and its affiliates, their respective directors, officers, agents and employees and each person, if any, controlling Morgan Stanley or any of its affiliates against certain liabilities and expenses, including certain liabilities under the federal securities laws, related to or arising out of Morgan Stanley's engagement. In the two years prior to the date hereof, Morgan Stanley has provided financial advisory and financing services for CenturyLink and financing services for Qwest, for which it has received fees. Morgan Stanley may also seek to provide such services to Qwest and CenturyLink in the future and expects to receive fees for the rendering of these services.

Summary of Joint Financial Analyses of Lazard, Deutsche Bank and Morgan Stanley

The following is a summary of the material financial analyses reviewed with the Qwest board of directors in connection with Lazard's, Deutsche Bank's and Morgan Stanley's respective opinions, each dated April 21, 2010. **Certain financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses, the tables must be read together with the text of each summary, as the tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of such financial analyses. None of Qwest, CenturyLink, Lazard, Deutsche Bank, Morgan Stanley or any other person assumes responsibility if future results are different from those discussed, whether or not any such difference is material.**

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Historical Trading Prices and Equity Research Analysts' Stock Price Targets

Lazard, Deutsche Bank and Morgan Stanley reviewed, for informational purposes, the range of closing prices of shares of Qwest common stock and CenturyLink common stock for the 12 months ended on April 21, 2010. Based on such historical share price range, Lazard, Deutsche Bank and Morgan Stanley calculated the following implied exchange ratio reference range by dividing the low and high trading prices of Qwest's common stock by the high and low trading prices of CenturyLink's common stock during such period, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range

**Twelve
Months
Ended
4/21/10**

0.0907x — 0.2108x

Exchange Ratio

0.1664x

Implied Exchange Ratio Reference Range

**Six
Months
Ended
4/21/10**

0.0937x — 0.1682x

Exchange Ratio

0.1664x

Lazard, Deutsche Bank and Morgan Stanley also reviewed, for informational purposes, future public market trading price targets for shares of Qwest common stock and CenturyLink common stock based on Qwest and CenturyLink price targets prepared and published by equity research analysts covering both companies after 2009 fourth quarter earnings were reported. Based on such share price targets, Lazard, Deutsche Bank and Morgan Stanley calculated the following implied exchange ratio reference range, as compared to the exchange ratio provided for in the merger:

**Implied
Exchange
Ratio
Reference
Range**

0.0903x — 0.1765x

Exchange Ratio

0.1664x

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for shares of Qwest's common stock or CenturyLink's common stock and these estimates are subject to uncertainties, including the future financial performance of Qwest and CenturyLink, as well as future financial market conditions.

Selected Company Trading Analysis

Lazard, Deutsche Bank and Morgan Stanley reviewed and analyzed certain financial information, valuation multiples and market trading data relating to selected comparable independent local exchange carriers and large public U.S. and Canadian telecom companies whose operations Lazard, Deutsche Bank and Morgan Stanley believed, based on their experience with companies in the independent local exchange carrier industry and, more generally, in the telecommunications industry, to be similar to both Qwest's and CenturyLink's operations for purposes of this analysis. The ranges for Qwest and CenturyLink were selected based on their respective operational and financial performance relative to the selected comparable carriers. Lazard, Deutsche Bank and Morgan Stanley then compared such information to the corresponding information for Qwest and CenturyLink. While the selected group of companies represents a mix of comparable public companies that encompasses Qwest's and CenturyLink's primary attributes, no company, independently or as part of a set, is identical to Qwest or CenturyLink:

Independent Local Exchange Carriers

- Frontier
- Windstream
- Cincinnati Bell
- Consolidated and
- Alaska

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Large Public U.S. and Canadian Telecom Companies

- AT&T
- Verizon
- BCE and
- Telus

Lazard, Deutsche Bank and Morgan Stanley calculated and compared various financial multiples and ratios of the selected companies, Qwest and CenturyLink, including, among other things, the ratio of each company's enterprise value, calculated as the market capitalization of each company (based on each company's closing stock price as of April 21, 2010), plus debt, less cash, cash equivalents and other adjustments as of December 31, 2009, to its calendar year 2010 and 2011 estimated earnings before interest, taxes, depreciation and amortization, commonly referred to as EBITDA. "Other adjustments" refers to adjustments including customary adjustments for minority interest, unconsolidated investments, proportionate share of jointly held assets and announced transactions that have not yet closed. Lazard, Deutsche Bank and Morgan Stanley also calculated the ratio of each company's market capitalization to its calendar year 2010 and 2011 estimated levered free cash flows, commonly referred to as LFCF. Estimated financial data of the selected companies, Qwest and CenturyLink utilized in the calculation of the selected multiples were based on publicly available financial data. Lazard, Deutsche Bank and Morgan Stanley also calculated the above ratios for Qwest, excluding the present value of the estimated net operating loss carryforward balance as of December 31, 2009 from the enterprise value and using a fully-taxed LFCF. The range of enterprise value to 2010 estimated EBITDA multiples based on a selected subset of both the independent local exchange carriers and large public U.S. and Canadian companies listed above was 5.0x to 6.4x, with mean and median multiples of 5.5x and 5.4x, in each case excluding any valuation adjustment assigned to tax attributes. The range of market capitalization to 2010 estimated LFCF multiples based on the independent local exchange carriers listed above was 5.1x to 7.4x, with mean and median multiples of 6.5x and 6.9x, in each case excluding any value assigned to tax attributes.

Lazard, Deutsche Bank and Morgan Stanley's analyses of the foregoing EBITDA and LFCF metrics for the selected companies indicated (1) a range of multiples of calendar year 2010 estimated EBITDA of 4.5x-5.0x and 5.0x-6.0x for Qwest and CenturyLink, respectively, and (2) a range of selected multiples of calendar year 2010 estimated fully-taxed LFCF of 6.0x to 7.5x for Qwest and CenturyLink, respectively. Lazard, Deutsche Bank and Morgan Stanley then calculated an implied exchange ratio by applying the range of selected multiples. Lazard, Deutsche Bank and Morgan Stanley then calculated a per share equity reference price for Qwest and CenturyLink by applying such ranges of multiples to estimated financial data of Qwest and CenturyLink based on consensus forecasts by equity research analysts. As part of the total implied equity value calculated for Qwest, Lazard, Morgan Stanley and Deutsche Bank calculated the present value of the estimated net operating loss carryforward balance as of March 31, 2010, which they calculated to be approximately \$1.7 billion, and the book value of the outstanding financial debt minus cash, cash equivalents and marketable securities as of March 31, 2010. As part of the total implied equity value calculated for CenturyLink, Lazard, Morgan Stanley and Deutsche Bank calculated the book value of the outstanding financial debt minus cash, cash equivalents and marketable securities as of March 31, 2010. Based on these implied per share equity reference ranges, this analysis indicated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Ranges Based on:		
2010E EBITDA	2010E FCF	Exchange Ratio
0.1098x — 0.1851x	0.1338x — 0.2012x	0.1664x

Lazard, Deutsche Bank and Morgan Stanley selected the companies reviewed in this analysis because, among other things, such companies operate similar businesses to those of Qwest and CenturyLink. However, no selected company is identical to Qwest or CenturyLink. Accordingly, Lazard, Deutsche Bank and Morgan Stanley believe that purely quantitative analyses are not, in isolation, determinative in the context of the merger and that qualitative judgments concerning differences between the business, financial and operating

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characteristics and prospects of Qwest, CenturyLink and the selected companies that could affect the public trading values of each also are relevant.

Selected Precedent Transactions Analysis

For informational purposes, in order to assess how independent local exchange carriers have been valued in merger and acquisition transactions, Lazard, Deutsche Bank and Morgan Stanley reviewed and compared the purchase prices and financial multiples paid in the following ten selected precedent transactions announced from May 2004 to November 2009 involving independent local exchange carriers or related assets that Lazard, Deutsche Bank and Morgan Stanley deemed to be similar in certain respects to the merger because such transactions occurred in industry sectors consistent with Qwest's operations and overall business:

Announcement Date	Acquirer	Target
11/24/2009	Windstream Corporation	Iowa Telecommunications Services, Inc.
5/13/2009	Frontier Communications	Verizon Spin Co.
5/11/2009	Windstream Corporation	D&E Communications
10/27/2008	CenturyTel	Embarq Corporation
7/2/2007	Consolidated Communications Holdings, Inc.	North Pittsburgh Systems, Inc.
5/29/2007	Windstream Corporation	CT Communications, Inc.
1/16/2007	FairPoint Communications, Inc.	New England assets of Verizon Communications Inc.
12/18/2006	CenturyTel	Madison River Communications Corp.
9/18/2006	Citizens Communications Company	Commonwealth Telephone Enterprises Inc.
5/21/2004	The Carlyle Group	Verizon Hawaii

Lazard, Deutsche Bank and Morgan Stanley calculated transaction values in the selected precedent transactions as the ratio of the target company's enterprise value, based on the consideration payable in the selected precedent transaction, to its latest 12 months EBITDA before taking into account estimated synergies anticipated to be realized from the selected precedent transaction. The range of enterprise value to the latest 12 months EBITDA was 4.5x to 10.3x from the selected precedent transactions listed above, with mean and median multiples of 6.9x and 6.5x. Financial data of the selected precedent transactions were based on publicly available information at the time of announcement of the relevant transaction. The range of implied values for Qwest was calculated based off of a latest 12 months EBITDA multiple. As part of the total implied equity value calculated for Qwest, Lazard, Deutsche Bank and Morgan Stanley calculated the present value of the estimated net operating loss carryforward balance as of March 31, 2010, which present value was calculated to be \$1.7 billion, and the book value of the outstanding financial debt minus cash, cash equivalents and marketable securities as of March 31, 2010. Based on implied per share equity reference ranges for Qwest, calculated by applying ranges of selected multiples derived from the selected precedent transactions of latest 12 months EBITDA of 4.0x to 5.0x, such ranges selected based on Lazard, Deutsche Bank and Morgan Stanley's valuation analysis of the selected peer group precedent transactions, and taking into consideration the differences that may exist between the above transactions and the merger, to Qwest's calendar year 2009 actual EBITDA, this analysis indicated the following implied price per share reference ranges, as compared to the price per share provided for in the merger:

Implied Per Share Price Reference Range	Offer
\$4.01 — \$6.49	\$ 6.02

Premia Paid Analysis

Lazard, Deutsche Bank and Morgan Stanley also reviewed, for informational purposes, the premiums paid in selected transactions with transaction values of between \$5 billion and \$50 billion since 2004. For each

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transaction, Lazard, Deutsche Bank and Morgan Stanley calculated the premium paid by the acquirer by comparing the announced transaction value per share to the target company's share price one day, 30 days and 90 days prior to announcement. The results of these calculations are set forth in the following table:

	<u>1-day</u>	<u>30-day</u>	<u>90-day</u>
Mean (all stock transactions)	22.6%	22.7%	27.7%
Median (all stock transactions)	24.6%	18.4%	23.4%
Mean (all cash transactions)	30.3%	38.6%	44.9%
Median (all cash transactions)	28.1%	33.3%	40.1%
Mean (all transactions)	27.9%	34.9%	40.3%
Median (all transactions)	26.6%	31.9%	38.1%

Based on the foregoing, Lazard, Deutsche Bank and Morgan Stanley applied a premium reference range of 15% to 25% to the average closing price of Qwest's common stock for the 30 days ended April 21, 2010. Based on the foregoing, Lazard, Deutsche Bank and Morgan Stanley calculated a range of implied per share prices for Qwest's common stock from \$5.97 to \$6.49. Lazard, Deutsche Bank and Morgan Stanley also applied a premium reference range of 20% to 25% to the price per share for Qwest's common stock as of April 21, 2010. Based on the foregoing, Lazard, Deutsche Bank and Morgan Stanley calculated a range of implied per share prices for the Qwest common stock from \$6.29 to \$6.55. The reference ranges were based on the mean and median premia paid 1-day prior and 30 days prior to the transaction announcement date in precedent stock-for-stock transactions.

Discounted Cash Flow Analysis

Lazard, Deutsche Bank and Morgan Stanley performed a discounted cash flow analysis of Qwest, which is a valuation methodology used to derive a valuation of an asset by calculating the "present value" of estimated future cash flows of the asset. "Future cash flows" refers to projected unlevered free cash flows of the business, commonly referred to as ULFCF. "Present value" refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Lazard, Deutsche Bank and Morgan Stanley calculated the discounted cash flow value for Qwest and CenturyLink as the sum of the net present value of:

- the estimated future cash flow that the company will generate for the years 2010 through 2013; and
- the value of the company at the end of such period, or the terminal value.

The estimated future cash flow for each of the scenarios was based on both the consensus forecasts by equity research analysts for the years 2010 through 2014 for Qwest and 2010 through 2013 and extrapolated to 2014 for CenturyLink and the long range financial forecasts for Qwest and CenturyLink for the years 2010 through 2013 as prepared by the companies' respective management and extrapolated to 2014. For their calculations, Lazard, Deutsche Bank and Morgan Stanley used discount rates ranging from 8.5% to 9.5% and 8.00% to 9.00% for Qwest and CenturyLink, respectively. The discount rates applicable to Qwest and CenturyLink were based on Lazard's, Deutsche Bank's and Morgan Stanley's judgment of the estimated range of weighted average cost of capital, based in part on each company's weighted cost to maturity of its long-term debt and each company's leverage. The terminal value of Qwest and CenturyLink was calculated using various exit EBITDA multiples ranging from 4.50x to 5.25x and 5.00x to 5.75x for Qwest and CenturyLink, respectively. The exit EBITDA multiples for Qwest and CenturyLink were selected by Lazard, Deutsche Bank and Morgan Stanley by reference to EV/EBITDA trading multiples calculated for Qwest and CenturyLink as well as the EV/EBITDA trading multiples of other independent local exchange carriers and large publicly traded telecommunications companies that Lazard, Deutsche Bank and Morgan Stanley, based on their professional judgment, deemed comparable to Qwest and CenturyLink for purposes of this analysis. As part of the total implied equity value calculated for Qwest, Lazard, Morgan Stanley and Deutsche Bank calculated the approximately \$1.7 billion present value of the estimated net operating loss carryforward balance as of March 31, 2010, the present value of the estimated pension contributions as of March 31, 2010 and the book

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value of the outstanding financial debt minus cash, cash equivalents and marketable securities. As part of the total implied equity value calculated for CenturyLink, Lazard, Morgan Stanley and Deutsche Bank calculated the present value of the estimated pension contributions as of March 31, 2010, an unconsolidated investment reflecting CenturyLink's 700 Mhz wireless spectrum holdings valued at approximately \$272 million and the book value of the outstanding financial debt minus cash, cash equivalents and marketable securities. Based on the foregoing, this analysis indicated the following implied exchange ratio reference ranges, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range

DCF —

Consensus

0.0893x — 0.1607x

Exchange Ratio

0.1664x

Implied Exchange Ratio Reference Range

DCF —

LRP

0.1194x — 0.2063x

Exchange Ratio

0.1664x

Contribution Analysis

Lazard, Deutsche Bank and Morgan Stanley reviewed the relative contributions of CenturyLink and Qwest to the following actual and estimated financial and operating metrics of the combined company, based on consensus forecasts by equity research analysts:

- EBITDA (2009, 2010, 2011);
- ULFCF (2009, 2010, 2011);
- Midpoint Consensus Discounted Cash Flow; and
- Average Research Price Targets.

Implied Exchange Ratio

EBITDA 2009A	0.1465x
EBITDA 2010E	0.1588x
EBITDA 2011E	0.1596x
ULFCF 2009A	0.1255x
ULFCF 2010E	0.1079x
ULFCF 2011E	0.1094x
Midpoint Consensus DCF	0.1212x
Average Research Price Targets	0.1513x

The 2010E ULFCF and the 2011E EBITDA were selected as they represented the full range of implied exchange ratios in the contribution analysis; 2010E ULFCF resulted in the lowest implied exchange ratio and 2011E EBITDA resulted in the highest implied exchange ratio. Based on the foregoing, Lazard, Deutsche Bank and Morgan Stanley calculated the following implied exchange ratio reference range by taking the low (2010E ULFCF) and high (2011E EBITDA) contribution ratio during such period, as compared to the exchange ratio provided for in the merger:

Implied Exchange Ratio Reference Range

Last

Twelve

Months

0.1079x — 0.1596x

Exchange Ratio

0.1664x

Has/Gets Analysis

Lazard, Deutsche Bank and Morgan Stanley reviewed, for informational purposes, the implied relative per share value derived from the exchange ratio provided for in the merger for both Qwest and CenturyLink based on selected financial and operating metrics of Qwest and CenturyLink and implied per share equity reference ranges for Qwest and CenturyLink based on a discounted cash flow analysis. Financial and operating data of CenturyLink and Qwest was based on consensus forecasts by equity research analysts, while estimated synergies expected to be realized from the merger were based on internal estimates of Qwest and CenturyLink management (excluding certain nonrecurring transaction and integration costs). Based on such financial and

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operating metrics, Lazard, Deutsche Bank and Morgan Stanley compared the per share values of CenturyLink and Qwest both prior to the merger (calculated by dividing each metric by the number of fully-diluted shares of CenturyLink common stock and Qwest common stock, respectively) and after consummation of the merger (calculated by dividing each metric by the number of fully-diluted shares of CenturyLink common stock and Qwest common stock, respectively, after taking into account the exchange ratio provided for in the merger). In addition to the fully taxed LFCF per share analysis based on the full synergies, which included the projected full eventual impact to EBITDA and cash flow, Lazard, Deutsche Bank and Morgan Stanley also conducted a fully taxed LFCF per share analysis based on the expected EBITDA and free cash flow synergies as realized through December 31, 2011. This comparison indicated that, based on the exchange ratio provided for in the merger, per share values of CenturyLink and Qwest could increase or (decrease) as follows:

Financial and Operating Metrics:	Value Change for:	
	CenturyLink	Qwest
2011 estimated EBITDA Per Share (Full Synergies)*	20.6%	(2.6)%
2011 estimated Fully-Taxed LFCF Per Share (Full Synergies)*	7.2%	25.0%
2011 estimated Fully-Taxed LFCF Per Share (Synergies as Realized)**	(0.3)%	16.2%
2011 estimated Net Leverage (Full Synergies)*	0.1x	(0.4x)
Dividends Per Share	—	50.8%

* Assumes realization during 2011 of the total annual synergies expected upon completion of the integration of the companies three to five years after the closing.

** Assumes realization of only those synergies expected during 2011.

Opinion of Perella Weinberg Partners LP

Qwest retained Perella Weinberg to act as the financial advisor to its board of directors in connection with the merger. Qwest selected Perella Weinberg to act as the financial advisor to its board of directors in connection with the merger based on Perella Weinberg's qualifications, expertise and reputation and its knowledge of the industries in which Qwest conducts its business. Perella Weinberg, as part of its investment banking business, is continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, leveraged buyouts and other transactions as well as for corporate and other purposes.

On April 21, 2010, Perella Weinberg rendered its oral opinion, subsequently confirmed in writing, to the board of directors of Qwest, that, on April 21, 2010, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in such opinion, the exchange ratio of 0.1664 of a share of CenturyLink common stock to be received in respect of each share of Qwest common stock in the merger was fair, from a financial point of view, to the holders of Qwest common stock, other than CenturyLink or any of its affiliates.

The full text of Perella Weinberg's written opinion, dated April 21, 2010, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg, is attached as Annex H and is incorporated by reference herein. Holders of shares of Qwest common stock are urged to read the opinion carefully and in its entirety. The opinion does not address Qwest's underlying business decision to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may be available to Qwest. The opinion does not constitute a recommendation to any holder of Qwest common stock or holder of CenturyLink common stock as to how such holder should vote or otherwise act with respect to the proposed merger or any other matter. In addition, Perella Weinberg expressed no opinion as to the fairness of the merger, or the exchange ratio provided for in the merger, to the holders of any other class of securities, creditors or other constituencies of Qwest. Perella Weinberg provided its opinion for the information and assistance of the board of directors of Qwest in connection with, and for the purposes of, its evaluation of the merger. This summary is qualified in its entirety by reference to the full text of the opinion.

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In arriving at its opinion, Perella Weinberg, among other things:

- reviewed certain publicly available financial statements and other business and financial information with respect to Qwest and CenturyLink, including research analyst reports;
- reviewed certain internal financial statements, analyses and forecasts, and other financial and operating data relating to the business of Qwest, in each case, prepared by Qwest's management, which are referred to in this Perella Weinberg opinion summary section as the Qwest Forecasts;
- reviewed certain publicly available financial forecasts relating to Qwest;
- reviewed certain internal financial statements, analyses and forecasts, and other financial and operating data relating to the business of CenturyLink, in each case, prepared by CenturyLink's management, which are referred to in this Perella Weinberg opinion summary section as the CenturyLink Forecasts;
- reviewed certain publicly available financial forecasts relating to CenturyLink;
- reviewed estimates of synergies anticipated from the merger which are referred to in this Perella Weinberg opinion summary section as the Anticipated Synergies, prepared by the management of Qwest;
- discussed the past and current business, operations, financial condition and prospects of Qwest, including the Anticipated Synergies, with senior executives of Qwest and CenturyLink, and discussed the past and current business, operations, financial condition and prospects of CenturyLink with senior executives of Qwest and CenturyLink;
- reviewed the potential pro forma financial impact of the merger on the future financial performance of the combined company, including the effect to the Anticipated Synergies, and taking into account the utilization of net operating loss carry-forwards;
- reviewed the relative financial contributions of Qwest and CenturyLink to the future financial performance of the combined company on a pro forma basis;
- compared the financial performance of Qwest and CenturyLink with that of certain publicly-traded companies which it believed to be generally relevant;
- compared the financial terms of the merger with the publicly available financial terms of certain transactions which it believed to be generally relevant;
- reviewed the historical trading prices and trading activity for the shares of Qwest common stock and shares of CenturyLink common stock, and compared such price and trading activity of the shares of Qwest common stock and shares of CenturyLink common stock with each other and with that of securities of certain publicly-traded companies which it believed to be generally relevant;
- reviewed a draft, dated April 21, 2010, of the merger agreement; and
- conducted such other financial studies, analyses and investigations, and considered such other factors, as it deemed appropriate.

In arriving at its opinion, Perella Weinberg assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information supplied or otherwise made available to it (including information that was available from generally recognized public sources) for purposes of its opinion and further relied upon the assurances of the managements of Qwest and CenturyLink that information furnished by Qwest and CenturyLink for purposes of Perella Weinberg's analysis did not contain any material omissions or misstatements of material fact. With respect to the Qwest Forecasts, including information relating to Anticipated Synergies and the amount and utilization of the net operating loss carry forwards, Perella Weinberg was advised by the management of Qwest, and assumed, with the consent of the board of directors of Qwest, that they had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Qwest as to the future financial performance of Qwest and the other matters covered thereby, and Perella Weinberg expressed no view as to the assumptions

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on which they were based. With respect to the CenturyLink Forecasts, Perella Weinberg had been advised by the management of CenturyLink, and assumed, with the consent of the board of directors of Qwest, that they had been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of CenturyLink as to the future financial performance of CenturyLink, and Perella Weinberg expressed no view as to the assumptions on which they were based. In arriving at its opinion, Perella Weinberg did not make any independent valuation or appraisal of the assets or liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of Qwest or CenturyLink, nor was it furnished with any such valuations or appraisals nor did it assume any obligation to conduct, nor did it conduct, any physical inspection of the properties or facilities of Qwest or CenturyLink. In addition, Perella Weinberg did not evaluate the solvency of any party to the merger agreement under any state or federal laws relating to bankruptcy, insolvency or similar matters. Perella Weinberg assumed that the final executed merger agreement would not differ in any material respect from the draft merger agreement it reviewed and that the merger would be consummated in accordance with the terms set forth in the draft merger agreement it reviewed, without material modification, waiver or delay. In addition, Perella Weinberg assumed that in connection with the receipt of all the necessary approvals of the proposed merger, no delays, limitations, conditions or restrictions would be imposed that would have an adverse effect on Qwest, CenturyLink or the contemplated benefits expected to be derived in the proposed merger. Perella Weinberg also assumed that the merger would qualify as a tax-free reorganization under the Code. Perella Weinberg relied as to all legal matters relevant to rendering its opinion upon the advice of counsel.

Perella Weinberg's opinion addressed only the fairness, from a financial point of view, as of April 21, 2010, of the exchange ratio provided for in the merger to the holders of shares of Qwest common stock, other than CenturyLink or any of its affiliates. Perella Weinberg was not asked to, nor did it, offer any opinion as to any other term of the merger agreement or the form or structure of the merger or the likely timeframe in which the merger would be consummated. Perella Weinberg was not requested to, and did not, participate in the negotiation of the terms of the merger, and it was not requested to, and did not, provide any advice or services in connection with the merger other than the delivery of its opinion. Perella Weinberg expressed no view or opinion as to any such matters. In addition, Perella Weinberg expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the merger, or any class of such persons, relative to the exchange ratio. Perella Weinberg noted that the merger agreement permits Qwest to pay regular quarterly dividends on its shares of common stock of up to \$0.08 per share. Perella Weinberg did not express any opinion as to any tax or other consequences that may result from the transactions contemplated by the merger agreement, nor did its opinion address any legal, tax, regulatory or accounting matters, as to which it understood Qwest had received such advice as it deemed necessary from qualified professionals. Perella Weinberg's opinion did not address the underlying business decision of Qwest to enter into the merger or the relative merits of the merger as compared with any other strategic alternative which may be available to Qwest. Perella Weinberg was not authorized to solicit, and did not solicit, indications of interest in a transaction with Qwest from any party.

Perella Weinberg's opinion was not intended to be and does not constitute a recommendation to any holder of shares of Qwest common stock or holder of shares of CenturyLink common stock as to how to vote or otherwise act with respect to the proposed merger or any other matter and does not in any manner address the prices at which shares of Qwest common stock or shares of CenturyLink common stock will trade at any time. In addition, Perella Weinberg expressed no opinion as to the fairness of the merger to, or the exchange ratio provided for in the merger to, the holders of any other class of securities, creditors or other constituencies of Qwest. Perella Weinberg's opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Perella Weinberg as of, the date of its opinion. It should be understood that subsequent developments may affect Perella Weinberg's opinion and the assumptions used in preparing it, and Perella Weinberg does not have any obligation to update, revise, or reaffirm its opinion.

The following is a brief summary of the material financial analyses performed by Perella Weinberg and reviewed by the board of directors of Qwest in connection with Perella Weinberg's opinion relating to the merger and does not purport to be a complete description of the financial analyses performed by Perella Weinberg. The order of analyses described below does not represent the relative importance or weight given to

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those analyses by Perella Weinberg. Some of the summaries of the financial analyses include information presented in tabular format. In order to fully understand Perella Weinberg's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Perella Weinberg's financial analyses. Except as otherwise noted, for purposes of its analyses, Perella Weinberg used selected Wall Street projections for both Qwest and CenturyLink, which are referred to in this Perella Weinberg opinion summary section as the Street Projections, and the Qwest Forecasts with respect to Qwest and the CenturyLink Forecasts with respect to CenturyLink. Perella Weinberg calculated the implied value of the consideration to be received by holders of Qwest common stock pursuant to the merger agreement by multiplying the exchange ratio of 0.1664 by the closing price of CenturyLink common stock as of April 20, 2010 of \$36.51 and noted that the implied value was \$6.08 per share, which are referred to in this Perella Weinberg opinion summary section as the Implied Transaction Price.

Historical Stock Trading and Transaction Premium Analysis

Perella Weinberg reviewed the historical trading price per share of Qwest common stock for the one-year period ending on April 20, 2010, the last trading day prior to the date on which Perella Weinberg gave its opinion. In addition, Perella Weinberg calculated the implied premium represented by the Implied Transaction Price relative to the following:

- the closing sale price per share of Qwest common stock as of April 20, 2010;
- the average closing sale price per share of Qwest common stock during the 30-trading day period ended on March 19, 2010, after which date, based upon a rise in Qwest's stock price, Perella Weinberg believed that such price may have been influenced by market speculation and which is referred to in this Perella Weinberg opinion summary section as the "Unaffected Price";
- each of the highest and lowest intra-day sale price per share of Qwest common stock during the one-year period ended on April 20, 2010; and
- each of the average closing sale price per share of Qwest common stock during the 1-week, 30-trading day and 60-trading day periods ended on April 20, 2010.

The results of these calculations and reference points are summarized in the following table:

	<u>Price per Share</u>	<u>Implied Premium</u>
Closing price on April 20, 2010	\$ 5.18	17.3%
Unaffected Price	\$ 4.59	32.4%
52-week high	\$ 5.50	10.5%
52-week low	\$ 3.30	84.1%
1-week average	\$ 5.33	13.9%
30-trading day average	\$ 5.17	17.4%
60-trading day average	\$ 4.79	26.7%

The historical stock trading and transaction premium analysis provided general reference points with respect to the trading prices of Qwest common stock which enabled Perella Weinberg to compare the historical prices with the consideration offered by CenturyLink. Perella Weinberg also noted that the lowest intra-day sale price per share of CenturyLink common stock during the one-year period ended on April 20, 2010 was \$25.26 and the highest intra-day sale price per share of CenturyLink common stock during the one-year period ended on April 20, 2010 was \$37.16. The exchange ratio implied by the historical trading prices per share of Qwest common stock and CenturyLink common stock was below the exchange ratio of 0.1664 to be paid in the merger for the entire one-year period ending on April 20, 2010, except for one day.

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Equity Research Analyst Price Targets Statistics

Perella Weinberg reviewed and analyzed (i) selected recent publicly available research analyst price targets for Qwest common stock prepared and published by selected equity research analysts during the period from February 16, 2010 through April 19, 2010 and (ii) selected recent publicly available research analyst price targets for CenturyLink common stock prepared and published by selected equity research analysts during the period from February 25, 2010 through April 19, 2010. These targets reflect each analyst's estimate of the future public market trading price of Qwest common stock and CenturyLink common stock, as applicable, and are not discounted to reflect present values.

Perella Weinberg noted that, as of April 20, 2010, the range of undiscounted equity analyst price targets for Qwest common stock was between approximately \$3.25 and \$6.00 per share (with a median of \$6.00 per share) and the range of undiscounted equity analyst price targets for CenturyLink common stock was between approximately \$34.00 and \$39.00 per share (with a median of \$37.00 per share).

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for Qwest common stock or CenturyLink common stock and these estimates are subject to uncertainties, including the future financial performance of Qwest or CenturyLink, as applicable, and future financial market conditions.

Selected Publicly Traded Companies Analysis

Perella Weinberg reviewed and compared certain financial information for Qwest and CenturyLink to corresponding financial information, ratios and public market multiples for the following publicly traded companies in (i) the rural local exchange carrier, which are referred to in this Perella Weinberg opinion summary section as RLEC, industry and (ii) the regional bell operating company, which are referred to in this Perella Weinberg opinion summary section as RBOC, industry which, in the exercise of its professional judgment and based on its knowledge of such industries, Perella Weinberg determined to be relevant to its analysis:

RLEC Industry

Windstream Corporation
Frontier Communications Corporation
Cincinnati Bell Inc.
Consolidated Communications Holdings, Inc.

RBOC Industry

AT&T, Inc.
Verizon Communications Inc.

Perella Weinberg calculated and compared financial information and various financial market multiples and ratios of the selected companies based on the closing price per share as of April 20, 2010, information Perella Weinberg obtained from SEC filings for historical information and third party research analyst estimates for forecasted information. For Qwest and CenturyLink, Perella Weinberg made calculations based on the closing prices per share of Qwest common stock and CenturyLink common stock as of April 20, 2010 and utilized Street Projections, the Qwest Forecasts and the CenturyLink Forecasts, as applicable. The Street Projections for Qwest had a median 2010E EBITDA value of \$4.3 billion, a median 2010E LFCF value of \$1.604 billion and a median 2010 EPS value of \$0.33. The Street Projections for CenturyLink had a median 2010E EBITDA value of \$3.509 billion, a median 2010E LFCF value of \$1.540 billion and a median 2010 EPS value of \$3.27.

With respect to Qwest, CenturyLink and each of the selected companies, Perella Weinberg reviewed, among other things:

- enterprise value ("EV") as a multiple of estimated EBITDA for fiscal year 2010;
- equity value as a multiple of estimated levered free cash flow ("LFCF") for fiscal year 2010; and
- price per share as a multiple of estimated earnings per share ("EPS") for fiscal year 2010.

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A summary of these ratios is set forth below:

Company	EV/2010E EBITDA	Equity Value/2010E LFCF	Price/ 2010E EPS
Qwest Street Projections	4.9x	5.7x	15.8x
Qwest Forecasts	4.8	5.8	14.3
CenturyLink Street Projections	5.3	7.2	11.2
CenturyLink Forecasts	5.4	7.3	11.6
Windstream	6.3	7.5	13.5
Frontier	6.5	6.5	13.1
Cincinnati Bell	6.2	5.8	7.6
Consolidated	7.8	9.7	20.6
AT&T	5.3	10.8	12.1
Verizon	5.6	11.2	12.8

Based on the analysis of these ratios and based on its experience working with corporations on various merger and acquisition transactions, Perella Weinberg selected representative ranges of these financial multiples to apply to corresponding data of Qwest and CenturyLink which yielded the following results:

Qwest

Financial Multiple	Representative Range	Implied Per Share Equity Value
<i>Street Projections</i>		
EV/2010E EBITDA	4.75x — 5.25x	\$ 5.49 — \$6.52
Equity Value/2010E LFCF	5.5x — 6.5x	\$ 4.97 — \$5.85
Price/2010 EPS	11.0x — 13.0x	\$ 4.34 — \$4.98
<i>Qwest Forecasts</i>		
EV/2010E EBITDA	4.75x — 5.25x	\$ 5.80 — \$6.86
Equity Value/2010E LFCF	5.5x — 6.5x	\$ 4.91 — \$5.78
Price/2010 EPS	11.0x — 13.0x	\$ 4.73 — \$5.43

CenturyLink

Financial Multiple	Representative Range	Implied Per Share Equity Value
<i>Street Projections</i>		
EV/2010E EBITDA	5.0x — 5.5x	\$ 32.61 — \$38.33
Equity Value/2010E LFCF	6.5x — 7.5x	\$ 33.12 — \$38.14
Price/2010 EPS	11.0x — 13.0x	\$ 35.42 — \$41.77
<i>CenturyLink Forecasts</i>		
EV/2010E EBITDA	5.0x — 5.5x	\$ 31.97 — \$37.63
Equity Value/2010E LFCF	6.5x — 7.5x	\$ 32.51 — \$37.43
Price/2010 EPS	11.0x — 13.0x	\$ 34.49 — \$40.67

Although the selected companies were used for comparison purposes, no business of any selected company was either identical or directly comparable to Qwest's business or CenturyLink's business. Accordingly, Perella Weinberg's comparison of selected companies to Qwest or CenturyLink and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies, Qwest and CenturyLink.

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Discounted Cash Flow Analysis

Perella Weinberg conducted an illustrative discounted cash flow analysis to calculate the estimated present value as of April 20, 2010 of the estimated standalone unlevered free cash flows, calculated as EBITDA less taxes, capital expenditures and increase in working capital, and subject to other adjustments, that Qwest could generate during the period commencing the second quarter of fiscal year 2010 through fiscal year 2013. Estimates of unlevered free cash flows used for this analysis were based on Street Projections and the Qwest Forecasts. For each case, Perella Weinberg used discount rates ranging from 7.50% to 8.50% based on estimates of the weighted average cost of capital of Qwest, calculated present values of unlevered free cash flows generated over the period described above and then added terminal values assuming terminal year multiples ranging from 4.75x to 5.25x EBITDA. Perella Weinberg chose this discount rate range based on the weighted average cost of capital for public companies in the RLEC and RBOC industries deemed by Perella Weinberg to be relevant to its analysis (based on its experience working with corporations on various merger and acquisition transactions) and the relative capital structure of Qwest. The RLEC and RBOC public companies are the companies listed above under "— Selected Publicly Traded Companies Analysis." Perella Weinberg chose the terminal year multiples based on its analysis of Qwest's, CenturyLink's and each of the selected companies' enterprise value as a multiple of estimated EBITDA. As part of the total implied equity value calculated for Qwest, Perella Weinberg (a) included the present value of the estimated net operating loss carry-forward balance estimated as of March 31, 2010 of \$1,432 million for Street Projections and \$1,523 million for Qwest Forecasts, respectively, and (b) included the present value of the estimated pension/other post-employment benefits contributions estimated as of March 31, 2010 of \$2,187 million for both the Street Projections and Qwest Forecasts. For purposes of these analyses, Perella Weinberg utilized the fully diluted number of shares of Qwest common stock calculated using the treasury stock method. These analyses indicated reference ranges of implied equity values per share of Qwest common stock of approximately \$3.97 to \$5.12 based on Street Projections and approximately \$4.72 to \$5.87 based on the Qwest Forecasts.

Perella Weinberg also performed an illustrative discounted cash flow analysis to calculate the estimated present value as of April 20, 2010 of the estimated standalone unlevered free cash flows, calculated as EBITDA less taxes, capital expenditures and increase in working capital, and subject to other adjustments, that CenturyLink could generate during the period commencing the second quarter of fiscal year 2010 through fiscal year 2013. Estimates of unlevered free cash flows used for this analysis were based on Street Projections and the CenturyLink Forecasts. For each case, Perella Weinberg used discount rates ranging from 7.00% to 8.00% based on estimates of the weighted average cost of capital of CenturyLink, calculated present values of unlevered free cash flows generated over the period described above and then added terminal values assuming terminal year multiples ranging from 5.00x to 5.50x EBITDA. Perella Weinberg chose this discount rate range based on the weighted average cost of capital for public companies in the RLEC and RBOC industries deemed by Perella Weinberg to be relevant to its analysis (based on its experience working with corporations on various merger and acquisition transactions) and the relative capital structure of CenturyLink. The RLEC and RBOC public companies are the companies listed above under "— Selected Publicly Traded Companies Analysis." Perella Weinberg chose the terminal year multiples based on its analysis of Qwest's, CenturyLink's and each of the selected companies' enterprise value as a multiple of estimated EBITDA. As part of the total implied equity value calculated for CenturyLink, Perella Weinberg included the present value of the estimated pension/other post-employment benefits contributions estimated as of March 31, 2010 of \$607 million for both the Street Projections and CenturyLink Forecasts. For purposes of these analyses, Perella Weinberg utilized the fully-diluted number of shares of CenturyLink common stock calculated using the treasury stock method. These analyses indicated reference ranges of implied equity values per share of CenturyLink common stock of approximately \$29.83 to \$35.54 based on Street Projections and approximately \$30.12 to \$35.81 based on the CenturyLink Forecasts.

Comparable Transactions Analysis

Perella Weinberg analyzed certain information relating to selected precedent RLEC industry transactions from July 2000 to November 2009 which, in the exercise of its professional judgment, Perella Weinberg

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determined to be relevant public companies with operations comparable to Qwest and CenturyLink. The transactions analyzed were the following:

Transaction Announcement	Target	Acquirer	EV/LTM EBITDA
November 2009	Iowa Telecommunications Services, Inc.	Windstream Corporation	8.9x
May 2009	Business (lines) of Verizon Communications Inc.	Frontier Communications Corporation	4.5
May 2009	D&E Communications, Inc.	Windstream Corporation	5.1
October 2008	Embarq Corporation	CenturyTel	4.5
July 2007	North Pittsburgh Systems, Inc.	Consolidated Communications Holdings, Inc.	7.3
May 2007	CT Communications, Inc.	Windstream Corporation	10.2
January 2007	Business (access lines) of Verizon Communications Inc.	FairPoint Communications, Inc.	6.6
December 2006	Madison River Communications Corp.	CenturyTel	8.4
September 2006	Commonwealth Telephone Enterprises, Inc.	Citizens Communications Company	6.9
December 2005	Wireline business of Alltel Corporation	VALOR Communications Group, Inc.	6.5
May 2004	Verizon Hawaii Inc.	The Carlyle Group	6.9
January 2004	TXU Communications	Consolidated Communications Inc.	8.6
July 2002	Illinois Consolidated Telephone Company	Homebase Acquisition, LLC	7.2(1)
November 2001	Conesoga Enterprises	D&E Communications, Inc.	12.3
October 2001	Business (access lines) of Verizon Communications Inc.	CenturyTel	N/A
July 2000	Business (access lines) of Frontier Corporation	Citizens Communications Company	9.9(2)

- (1) LTM statistics represent FY2001 financial data.
- (2) LTM statistics represent FY1999 financial data.

For each of the selected transactions, Perella Weinberg calculated and compared the resulting EV in the transaction as a multiple of last twelve months, or LTM, EBITDA, except where indicated above. The EV/LTM EBITDA multiples for the selected transactions were based on publicly available information at the time of the relevant transaction.

Based on the multiples calculated above and Perella Weinberg's analyses of the various selected transactions and on judgments made by it, Perella Weinberg derived a representative range of multiples of the transactions and applied that range of multiples to Qwest's EBITDA for fiscal year 2009. Perella Weinberg then derived a range of implied equity value per share of Qwest common stock of approximately \$5.22 to \$6.28 by applying multiples ranging from 4.5x to 5.0x to Qwest's fiscal year 2009 EBITDA of \$4,415 million.

Perella Weinberg also performed a premia paid analysis on each of the selected transactions. The median premium (i) for precedent transactions that occurred from January 2008 to April 20, 2010 was 36% and (ii) for precedent transactions that occurred from January 2000 through December 2007 was 26%. Perella Weinberg considered such median premia and, in light of its experience working with corporations on various merger and acquisition transactions, derived a representative range of implied premia of 25-40%, which was based on banded distribution around the median premia discussed above. Perella Weinberg then applied this range of premia to the Unaffected Price, which implied a range of equity value per share for Qwest common stock of approximately \$5.74 to \$6.42 per share.

Although the selected transactions were used for comparison purposes, none of the selected transactions nor the companies involved in them was either identical or directly comparable to the merger, Qwest or CenturyLink. Accordingly, Perella Weinberg's comparison of the selected transactions to the merger and

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analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the companies involved in such transactions and of the merger and was based on Perella Weinberg’s experience working with corporations on various merger and acquisition transactions.

Structurally Comparable Premia Paid Analysis

Perella Weinberg analyzed the premiums paid in nine all-stock “merger of equals” transactions involving U.S. companies since 2000, in which the transaction value was greater than \$5 billion and that resulted in the target company’s stockholders owning 40–60% of the combined entity. For each of the selected transactions, Perella Weinberg calculated and compared the 1-day premia to the target company’s stock price on the trading day prior to the announcement of the transaction implied by the exchange ratio in such transaction. The transactions analyzed, including the observed premia, were:

Transaction Announcement	Target	Acquirer	Premium
February 2007	XM Satellite Radio Holdings Inc.	Sirius Satellite Radio Inc.	21.7%
November 2006	Carcraft Rx, Inc.	CVS Corporation	6.4
April 2006	Lucent Technologies Inc.	Alcatel	(1.4)
October 2005	Jefferson-Pilot Corporation	Lincoln National Corporation	10.2
December 2004	Nextel Communications, Inc.	Sprint Corporation	8.8
June 2003	Biogen, Inc.	IDEC Pharmaceuticals Corporation	2.3
November 2001	Conoco Inc.	Phillips Petroleum Company	(0.3)
August 2001	Westvaco Corporation	The Mead Corporation	5.8
August 2000	Software.com, Inc.	Phone.com	16.7

Based on the observed premia and in light of its experience working with corporations on various merger and acquisition transactions, Perella Weinberg selected a representative range of implied premia of 10–15% and applied that range of premia to the price of Qwest common stock for the day prior to the announcement of the merger, which implied a range of equity value per share for Qwest common stock of approximately \$5.70 to \$5.96 per share (which represented a 24–30% premium to the Unaffected Price).

Contribution Analysis

Perella Weinberg analyzed the contribution of each of Qwest and CenturyLink to the pro forma combined company, not including any synergies or other combination adjustments, with respect to each company’s equity value and the Street Projections for each company’s revenue, EBITDA, net income and LFCF for fiscal year 2010. The analysis did not take into account the present value of the estimated net operating loss carryforward balance of Qwest. The analysis yielded the following results:

	<u>Qwest</u>	<u>CenturyLink</u>
Equity Value as of April 20, 2010	45%	55%
2010E Revenue	63%	37%
2010E EBITDA	55%	45%
2010E Net Income	37%	63%
2010E LFCF	51%	49%

Miscellaneous

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses or the summary as a whole, could create an incomplete view of the processes underlying Perella Weinberg’s opinion. In arriving at its fairness determination, Perella Weinberg considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis. Rather,

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Perella Weinberg made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the analyses described herein as a comparison is directly comparable to Qwest, CenturyLink or the merger.

Perella Weinberg prepared the analyses described herein for purposes of providing its opinion to the board of directors of Qwest as to the fairness, on the date of Perella Weinberg's opinion, from a financial point of view, of the exchange ratio provided for in the merger to the holders of shares of Qwest common stock, other than CenturyLink or any of its affiliates. These analyses do not purport to be appraisals or necessarily reflect the prices at which businesses or securities actually may be sold. Perella Weinberg's analyses were based in part upon the financial forecasts and estimates of the managements of Qwest and CenturyLink and third party research analyst estimates, which are not necessarily indicative of actual future results, and which may be significantly more or less favorable than suggested by Perella Weinberg's analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties to the merger agreement or their respective advisors, none of Qwest, Perella Weinberg or any other person assumes responsibility if future results are materially different from those forecasted by Qwest's management or third parties.

As described above, the opinion of Perella Weinberg to the board of directors of Qwest was one of many factors taken into consideration by the board of directors of Qwest in making its determination to approve the merger. Perella Weinberg was not asked to, and did not, recommend the specific exchange ratio provided for in the merger, which exchange ratio was determined through negotiations between Qwest and CenturyLink.

Pursuant to the terms of the engagement letter between Perella Weinberg and Qwest, Qwest paid Perella Weinberg \$500,000 upon execution of the engagement letter and agreed to pay Perella Weinberg a fee of (i) \$2.25 million for the delivery of its financial analysis of, and assistance in connection with, the merger, (ii) \$1.25 million in connection with the delivery of its opinion and (iii) \$1 million if Perella Weinberg continues to be actively engaged at the request of the board of directors of Qwest as of September 1, 2010. In addition, Qwest agreed to reimburse Perella Weinberg for its reasonable expenses, including attorneys' fees and disbursements and to indemnify Perella Weinberg and related persons against various liabilities, including certain liabilities under the federal securities laws.

In the ordinary course of its business activities, Perella Weinberg or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity or other securities (or related derivative securities) or financial instruments (including bank loans or other obligations) of Qwest or CenturyLink or any of their respective affiliates. The issuance of Perella Weinberg's opinion was approved by a fairness opinion committee of Perella Weinberg. Perella Weinberg and its affiliates have in the past provided investment banking and other financial services to Qwest and its affiliates, including advising the independent members of the board of directors of Qwest as to the valuation of one of Qwest's businesses, for which they have received compensation. During the last two years, Perella Weinberg has not received any fees for investment banking or other financial services from CenturyLink.

Financial Interests of Qwest Directors and Executive Officers in the Merger

In considering the recommendation of the Qwest board of directors with respect to the merger agreement, Qwest stockholders should be aware that Qwest executive officers and directors have financial interests in the merger that are different from, or in addition to, the interests of Qwest stockholders generally. The Qwest board of directors was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the merger, and in recommending to Qwest stockholders that the merger agreement be approved and adopted.