

CENTURYLINK, INC
Form S-4
December 15, 2016
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As filed with the Securities and Exchange Commission on December 15, 2016

Registration No. 333-

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

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CENTURYLINK, INC.
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation)

4813
(Primary Standard Industrial
Classification Code Number)

72-0651161
(I.R.S. Employer
Identification Number)

100 CenturyLink Drive

Monroe, LA 71203

(318) 388-9000

(Address, including zip code and telephone number, including area code of registrants principal executive offices)

Stacey W. Goff, Esq.

CenturyLink, Inc.

100 CenturyLink Drive

Monroe, LA 71203

(318) 388-9000

(Name, address, including zip code and telephone number, including area code of agent for service)

Copies to:

John M. Ryan, Esq.

Eric S. Robinson, Esq.

David K. Boston, Esq.

Level 3 Communications, Inc.

DongJu Song, Esq.

Laura L. Delanoy, Esq.

1025 Eldorado Boulevard

Wachtell, Lipton, Rosen & Katz

Willkie Farr & Gallagher LLP

Broomfield, CO 80021

51 West 52nd Street

787 Seventh Avenue

(720) 888-1000

New York, NY 10019

New York, NY 10019

(212) 403-1000

(212) 728-8000

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the transaction described in the enclosed document.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered ⁽¹⁾	Proposed maximum offering price per share	Proposed maximum offering price ⁽²⁾	Amount of registration fee ⁽³⁾
Common stock, par value \$1.00 per share	540,590,772	N/A	\$11,297,032,643	\$1,309,326.08

(1) The number of shares of common stock, par value \$1.00 per share, of the registrant (CenturyLink common stock) being registered is based upon the sum of (a) the product obtained by multiplying (i) 359,973,009 shares of common stock, par value \$0.01 per share, of Level 3 Communications, Inc. (Level 3 common stock) estimated to be outstanding immediately prior to the initial merger by (ii) an exchange ratio of 1.4286, the exchange ratio provided for in the merger agreement (as defined in the joint proxy statement/prospectus that forms a part of this registration statement) plus (b) 26,309,365 shares of CenturyLink common stock, the maximum number of shares of CenturyLink common stock estimated to be issuable in respect of restricted stock units denominated in shares of Level 3 common stock estimated to be outstanding immediately prior to the initial merger.

- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act of 1933, as amended (the Securities Act) and calculated pursuant to Rules 457(c) and 457(f) under the Securities Act. The proposed maximum aggregate offering price of the CenturyLink common stock was calculated based upon the market value of shares of Level 3 common stock (the securities to be canceled in the initial merger) in accordance with Rule 457(c) and is equal to (a) the product of (i) \$56.29, the average of the high and low prices per share of Level 3 common stock on the New York Stock Exchange on December 12, 2016, *multiplied by* (ii) 370,200,976, the maximum number of shares of Level 3 common stock estimated to be exchanged in the initial merger, *minus* (b) the aggregate amount of cash consideration to be paid by CenturyLink in the initial merger.
- (3) Calculated pursuant to Section 6(b) of the Securities Act and Securities and Exchange Commission Fee Rate Advisory #1 for Fiscal Year 2017 at a rate equal to \$115.90 per \$1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED DECEMBER 15, 2016

COMBINATION PROPOSED YOUR VOTE IS VERY IMPORTANT

The board of directors of CenturyLink, Inc. and the board of directors of Level 3 Communications, Inc. have agreed to an acquisition of Level 3 by CenturyLink, under the terms of the Agreement and Plan of Merger, dated as of October 31, 2016. The combined company will have the ability to offer CenturyLink's larger enterprise customer base the benefits of Level 3's global footprint with a combined presence in more than 60 countries. In addition, the combined company will be positioned to further enhance the scope and transmission speeds of its broadband infrastructure.

If the transaction is completed, Level 3 stockholders will have the right to receive \$26.50 in cash and 1.4286 shares of CenturyLink common stock for each share of Level 3 common stock they own at closing (which we refer to as the exchange ratio), with cash paid in lieu of fractional shares. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to closing of the combination. Based on the closing price of CenturyLink common stock on the New York Stock Exchange of \$28.25 on October 26, 2016, the last trading day before public reports of a possible transaction, the merger consideration represented approximately \$66.86 of aggregate value for each share of Level 3 common stock. Based on the CenturyLink closing price of \$[] on [], 2017, the latest practicable date before the date of this document, the merger consideration represented approximately \$[] of aggregate value for each share of Level 3 common stock. CenturyLink shareholders will continue to own their existing shares of CenturyLink common stock. We urge you to obtain current market quotations of CenturyLink common stock and Level 3 common stock before voting.

Upon completion of the combination, we estimate that current CenturyLink shareholders will own approximately 51% of the combined company and former Level 3 stockholders will own approximately 49% of the combined company. CenturyLink common stock and Level 3 common stock are both traded on the NYSE under the symbols CTL and LVLT, respectively.

At the special meeting of CenturyLink shareholders scheduled for [], 2017, CenturyLink shareholders will be asked to vote on the issuance of shares of CenturyLink common stock to Level 3 stockholders, which is necessary to complete the combination. At the special meeting of Level 3 stockholders scheduled on the same date, Level 3 stockholders will be asked to vote on the adoption of the merger agreement and to approve, on an advisory basis, the compensation that may become payable to Level 3's named executive officers in connection with the combination.

We cannot complete the combination unless the Level 3 stockholders and the CenturyLink shareholders approve the respective proposals related to the combination. **Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend your CenturyLink or Level 3 special meeting, as applicable, in person, please vote your shares as promptly as possible by (1) accessing the Internet website specified on your proxy card, (2) calling the toll-free number specified on your proxy card, or (3) signing and returning all proxy cards that you receive in the postage-paid envelope provided, so that your shares may be represented and voted at the CenturyLink or the Level 3 special meeting, as applicable.** If you are a Level 3 stockholder, please note that a failure to vote your shares is the equivalent of a vote against the combination. If you are a CenturyLink shareholder, please note that a failure to vote your shares may result in a failure to establish a quorum for the CenturyLink special meeting.

The CenturyLink board of directors unanimously recommends that the CenturyLink shareholders vote FOR the proposal to issue shares of CenturyLink common stock in the combination. The Level 3 board of directors unanimously recommends that the Level 3 stockholders vote FOR the proposal to adopt the merger agreement.

The obligations of CenturyLink and Level 3 to complete the combination are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. More information about CenturyLink, Level 3 and the combination is contained in this joint proxy statement/prospectus. CenturyLink and Level 3 encourage you to read this entire joint proxy statement/prospectus carefully, including the section entitled Risk Factors beginning on page 20.

We look forward to the successful combination of CenturyLink and Level 3.

Sincerely,

Glen F. Post, III
Chief Executive Officer and President
CenturyLink, Inc.

Sincerely,

Jeff K. Storey
President and Chief Executive Officer
Level 3 Communications, Inc.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined that this joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [], 2017 and is first being mailed to the shareholders of CenturyLink and stockholders of Level 3 on or about [], 2017.

stock, voting as a single class (provided that a quorum is present).

Your vote is important. Whether or not you expect to attend the CenturyLink special meeting in person, we urge you to vote your shares as promptly as possible by (1) accessing the Internet website specified on your proxy card; (2) calling the toll-free number specified on your proxy card; or (3) signing

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and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the CenturyLink special meeting. If your shares are held in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the record holder. In lieu of receiving a proxy card, participants in certain benefit plans of CenturyLink and its subsidiaries have been furnished with voting instruction cards, which are described in greater detail in the accompanying joint proxy statement/prospectus.

By Order of the Board of Directors,

Stacey W. Goff

Secretary

Monroe, Louisiana

[], 2017

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Level 3 Communications, Inc.

1025 Eldorado Boulevard

Broomfield, Colorado 80021

(720) 888-1000

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], 2017

To the Stockholders of Level 3 Communications, Inc.:

We are pleased to invite you to attend the special meeting of stockholders of Level 3 Communications, Inc. (which we refer to as Level 3), which will be held at Level 3's headquarters, located at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, on _____, 2017, at _____, local time, to consider and vote on the following:

a proposal to approve and adopt the Agreement and Plan of Merger, dated as of October 31, 2016 (which we refer to as the merger agreement), among CenturyLink, Inc., a Louisiana corporation (which we refer to as CenturyLink), Wildcat Merger Sub 1 LLC, a Delaware limited liability company and indirect wholly owned subsidiary of CenturyLink (which we refer to as merger sub 1), WWG Merger Sub LLC, a Delaware limited liability company and indirect wholly owned subsidiary of CenturyLink (which we refer to as merger sub 2) and Level 3, which we have attached as Annex A to the joint proxy statement/prospectus accompanying this notice. Pursuant to the merger agreement, merger sub 1 will merge with and into Level 3 (which we refer to as the merger), with each outstanding share of common stock of Level 3 (excluding shares as to which appraisal rights have been properly exercised pursuant to Delaware law) being converted into the right to receive (i) \$26.50 in cash and (ii) 1.4286 shares of common stock of CenturyLink (which we refer to as the merger proposal);

a non-binding advisory proposal to approve the compensation that may become payable to Level 3's named executive officers in connection with the completion of the combination (which we refer to as the compensation proposal); and

a proposal to adjourn the Level 3 special meeting, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the merger proposal (which we refer to as the Level 3 adjournment proposal).

Level 3 will transact no other business at the special meeting except such business as may properly be brought before the special meeting or any adjournment or postponement thereof and will not be making any presentation or holding a question and answer session. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the special meeting.

The Level 3 board of directors (which we refer to as the Level 3 Board) has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby are in the best interests of Level 3 and its stockholders. The Level 3 Board unanimously recommends that Level 3 stockholders vote FOR the proposal to approve and adopt the merger agreement, FOR the proposal to approve, on an advisory basis, the compensation payable in connection with the combination and FOR the proposal to adjourn the Level 3 special meeting, if necessary, to solicit additional proxies.

The Level 3 Board has fixed the close of business on _____, 2017 as the record date for determination of Level 3 stockholders entitled to receive notice of, and to vote at, the Level 3 special meeting or any adjournments

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or postponements thereof. Only Level 3 stockholders of record at the close of business on the record date are entitled to receive notice of, and to vote at, the Level 3 special meeting. Approval of the merger proposal requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock. Approval of the Level 3 adjournment proposal and the compensation proposal each requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock present in person or represented by proxy at the Level 3 special meeting. A list of the names of Level 3 stockholders of record will be available for ten days prior to the Level 3 special meeting for any purpose germane to the special meeting between the hours of 9:00 a.m. and 5:00 p.m., local time, at Level 3's headquarters, 1025 Eldorado Blvd., Broomfield, Colorado 80021. The Level 3 stockholder list will also be available at the Level 3 special meeting for examination by any stockholder present at such meeting.

Your vote is very important. For your convenience, in addition to submitting a proxy to vote your shares by signing and returning the enclosed proxy card in the postage-paid envelope provided, we have also made telephone and internet voting available to you. Simply follow the instructions on the enclosed proxy. If your shares are held in a 401(k) plan or in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the plan trustee or administrator, or record holder, as appropriate.

The enclosed joint proxy statement/prospectus provides a detailed description of the combination and the merger agreement as well as, among other things, a description of the Level 3 common stock and CenturyLink common stock. We urge you to read this joint proxy statement/prospectus, including any documents incorporated by reference and the annexes, carefully and in their entirety. If you have any questions concerning the combination or this joint proxy statement/prospectus, would like additional copies or need help voting your shares of Level 3 common stock, please contact Level 3 Investor Relations:

Level 3 Communications, Inc.

1025 Eldorado Blvd.

Broomfield, Colorado 80021

(720) 888-2518

Attn: Investor Relations

By Order of the Board of Directors of

Level 3 Communications, Inc.

John M. Ryan

Executive Vice President,

Chief Legal Officer and

Secretary

Broomfield, Colorado

, 2017

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ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about CenturyLink and Level 3 from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

CenturyLink, Inc.	Level 3 Communications, Inc.
100 CenturyLink Drive	1025 Eldorado Boulevard
Monroe, LA 71203	Broomfield, CO 80021
(318) 388-9000	(720) 888-2518
Attn: Investor Relations	Attn: Investor Relations
or	or
[]	[]
[]	[]
[] for shareholder inquiries	[] for shareholder inquiries
[] for banks and brokers	[] for banks and brokers

Investors may also consult CenturyLink's or Level 3's website for more information concerning the combination described in this joint proxy statement/prospectus. CenturyLink's website is www.CenturyLink.com. Level 3's website is www.Level3.com. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

If you would like to request any documents, please do so by [], 2017 in order to receive them before the special meetings.

For more information, see "Where You Can Find More Information" beginning on page 182.

ABOUT THIS DOCUMENT

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the Securities and Exchange Commission, which we refer to as the SEC, by CenturyLink (File No. 333-), constitutes a prospectus of CenturyLink under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of CenturyLink common stock proposed to be issued to Level 3 stockholders under the merger agreement. This document also constitutes a joint proxy statement under Section 14(a) of the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. It also includes a notice of meeting with respect to the special meeting of CenturyLink shareholders, at which CenturyLink shareholders will be asked to vote upon the CenturyLink stock issuance proposal, and a notice of meeting with respect to the special meeting of Level 3 stockholders, at which Level 3 stockholders will be asked to vote upon a proposal to adopt the

merger agreement.

Before casting your vote, you should carefully review all the information contained or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated []. You should not assume that the information contained in, or incorporated by reference into, this joint proxy statement/prospectus is accurate as of any date other than the date on the front cover of those documents. Neither our mailing of this joint proxy statement/prospectus to CenturyLink shareholders or Level 3 stockholders nor the issuance by CenturyLink of common stock in connection with the combination will create any implication to the contrary.

In deciding how to vote with respect to any of the proposals discussed herein, you must make your own independent examination of the merits and risks of the proposal. You should not construe anything included in this joint proxy statement/prospectus as investment, legal, business or tax advice, and should consult with your own advisors if you have questions concerning any of the matters described herein.

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This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction in which or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Information contained in this joint proxy statement/prospectus regarding CenturyLink has been provided by CenturyLink and information contained in this joint proxy statement/prospectus regarding Level 3 has been provided by Level 3.

All references in this joint proxy statement/prospectus to Level 3 refer to Level 3 Communications, Inc. a Delaware corporation (except that in connection with the description of its operations or business under the headings *Cautionary Statement Regarding Forward-Looking Statements* and *Risk Factors*, such term refers to the consolidated operations of Level 3 Communications, Inc. and its subsidiaries); all references in this joint proxy statement/prospectus to CenturyLink refer to CenturyLink, Inc., a Louisiana corporation (except that in connection with the description of its operations or business under the headings *Cautionary Statement Regarding Forward-Looking Statements* and *Risk Factors*, such term refers to the consolidated operations of CenturyLink, Inc. and its subsidiaries); all references to merger sub 1 refer to Wildcat Merger Sub 1 LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of CenturyLink, formed for the purpose of effecting the combination; and all references to merger sub 2 refer to WWG Merger Sub LLC, a Delaware limited liability company and an indirect wholly owned subsidiary of CenturyLink formed for the purpose of effecting the combination. Unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of October 31, 2016, among Level 3, CenturyLink, merger sub 1 and merger sub 2, a copy of which is included as Annex A to this joint proxy statement/prospectus, all references to the initial merger refer to the merger of merger sub 1 into Level 3, with Level 3 continuing as the surviving corporation, and all references to the subsequent merger refer to the merger of the surviving corporation into merger sub 2, with merger sub 2 continuing as the surviving company, and all references to the combination or the mergers refer collectively to the initial merger and the subsequent merger.

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QUESTIONS AND ANSWERS

The following are answers to some questions that you, as a shareholder of CenturyLink or stockholder of Level 3, may have regarding the combination and the other matters being considered at the CenturyLink special meeting and at the Level 3 special meeting. CenturyLink and Level 3 urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the combination and the other matters being considered at the special meetings. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.

Q: Why am I receiving this joint proxy statement/prospectus?

A: CenturyLink, Inc., which we refer to as CenturyLink, and Level 3 Communications, Inc., which we refer to as Level 3, have agreed to an acquisition of Level 3 by CenturyLink under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

In order to complete the combination, among other things:

CenturyLink shareholders must vote to approve the issuance of shares of CenturyLink common stock to holders of shares of Level 3 common stock (which holders we refer to as Level 3 stockholders) in connection with the combination, and

Level 3 stockholders must vote to adopt the merger agreement.

CenturyLink and Level 3 will hold separate special meetings to obtain these approvals. In addition, Level 3 will solicit stockholder approval, on an advisory (non-binding) basis, of the existing compensatory arrangements between Level 3 and its named executive officers for compensation in connection with the combination (which we refer to as the compensation proposal). The separate vote, on an advisory (non-binding) basis, of the compensation proposal, is not a condition to the completion of the combination. This joint proxy statement/prospectus contains important information about the combination, the CenturyLink special meeting and the Level 3 special meeting, and you should read it carefully. The enclosed voting materials allow you to vote your shares without attending your respective meeting.

Your vote is important. We encourage you to vote as soon as possible.

Q: When and where will the meetings be held?

A: The CenturyLink special meeting will be held at 100 CenturyLink Drive, Monroe, Louisiana 71203 on [], 2017, at [], local time. The Level 3 special meeting will be held at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, on [], 2017, at [], local time.

Q: What will happen at the closing of the transaction?

A: Pursuant to the merger agreement, Wildcat Merger Sub 1 LLC, an indirect wholly owned subsidiary of CenturyLink, which we refer to as merger sub 1, will be merged with and into Level 3, and Level 3 will become an indirect wholly owned subsidiary of CenturyLink. Immediately thereafter, Level 3 will be merged with and into WWG Merger Sub LLC, an indirect wholly owned subsidiary of CenturyLink, which we refer to as merger sub 2, with merger sub 2 surviving the merger. We refer to these mergers as the initial merger and the subsequent merger, and collectively as the mergers or the combination.

If the combination is completed, Level 3 stockholders (excluding shares as to which appraisal rights have been properly exercised pursuant to Delaware law) will have the right to receive \$26.50 in cash and 1.4286 shares of CenturyLink common stock for each share of Level 3 common stock they own at closing, which

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we refer to as the exchange ratio, with cash paid in lieu of fractional shares. We refer to the components of the merger consideration as the cash consideration and the share consideration. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to closing of the combination.

CenturyLink shareholders will not receive any merger consideration and will continue to hold their shares of CenturyLink common stock.

Q: What is the value of the merger consideration?

A: Because CenturyLink has agreed to issue 1.4286 shares of CenturyLink common stock and deliver \$26.50 in cash in exchange for each share of Level 3 common stock, the value of the merger consideration that Level 3 stockholders receive will depend on the price per share of CenturyLink common stock at the effective time of the initial merger. That price will not be known at the time of the special meetings and may be more or less than the current price or the price at the time of the special meetings. This exchange ratio will not be adjusted for changes in the market price of either CenturyLink common stock or Level 3 common stock between the date of signing the merger agreement and completion of the combination.

Based on the closing price of CenturyLink common stock on the New York Stock Exchange (which we refer to as the NYSE) of \$28.25 on October 26, 2016, the last trading day before public reports of a possible transaction, the merger consideration represented approximately \$66.86 of aggregate value for each share of Level 3 common stock. Based on the CenturyLink closing price of \$[] on [], 2017, the latest practicable date before the date of this joint proxy statement/prospectus, the merger consideration represented approximately \$[] of aggregate value for each share of Level 3 common stock.

CenturyLink stockholders will continue to own their existing CenturyLink shares. CenturyLink common stock is currently traded on the NYSE under the symbol CTL, and Level 3 common stock is currently traded on the NYSE under the symbol LVLT.

We urge you to obtain current market quotations of CenturyLink common stock and Level 3 common stock before voting.

Q: How do I vote?

A: If you are a shareholder of record of CenturyLink as of the record date for the CenturyLink special meeting or a stockholder of record of Level 3 as of the record date for the Level 3 special meeting, you may vote in person by attending your special meeting or, to ensure your shares are represented at the meeting, you may vote by:

accessing the Internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing and returning the enclosed proxy card in the postage-paid envelope provided.

If you hold shares of CenturyLink common stock or voting preferred stock or shares of Level 3 common stock in the name of a broker or nominee, please follow the voting instructions provided by your broker or nominee to ensure that your shares are represented at your special meeting. If you received voting instruction cards from a trustee of any retirement plan of CenturyLink, Level 3 or their subsidiaries in which you are a participant, please follow the instructions on those cards to ensure that shares of stock allocated to your plan account are represented at your special meeting.

If you are an employee who participates in the Level 3 Communications, Inc. 401(k) Plan (the Plan), by signing your proxy card you will direct the trustee for the Plan to vote all shares of Level 3 common stock allocated to your account in the Plan. You must mail the proxy card, or vote by phone or by using the internet as described on the proxy card. If you do not vote your proxy (or submit it with an unclear voting designation or with no voting designation at all), then the Plan trustee will vote the shares in your account in accordance with the terms of the Plan document.

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Q: What vote is required to approve each proposal?

A: *CenturyLink*. Approval of the CenturyLink stock issuance proposal requires the affirmative vote of a majority of the votes cast on such matter at the CenturyLink special meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum is present).

Approval of the CenturyLink adjournment proposal, if necessary, requires the affirmative vote of a majority of the votes cast on such matter at such meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum is present).

Level 3. The proposal at the Level 3 special meeting to adopt the merger agreement requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock.

The Level 3 adjournment proposal requires the affirmative vote of holders of a majority of the shares of Level 3 common stock present or represented by proxy at the Level 3 special meeting. The Level 3 compensation proposal requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock present in person or represented by proxy at the Level 3 special meeting.

One of Level 3's stockholders, STT Crossing Ltd. (which we refer to as STT Crossing), which owns approximately []% of the outstanding Level 3 shares as of the record date, has entered into a voting agreement with CenturyLink and, solely with respect to certain covenants contained therein, Level 3 (which we refer to as the voting agreement) under which STT Crossing has agreed, among other things, to vote its Level 3 common stock in favor of the merger proposal. See the section below entitled *STT Crossing Voting Agreement and Shareholder Rights Agreement*.

Q: How does the Level 3 Board recommend that Level 3 stockholders vote?

A: The Level 3 Board has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement are in the best interests of Level 3 and its stockholders. The Level 3 Board unanimously recommends that Level 3 stockholders vote FOR the proposal to approve and adopt the merger agreement and the mergers, FOR the Level 3 compensation proposal, and FOR the proposal to adjourn the Level 3 special meeting, if necessary, to solicit additional proxies.

Q: How does the CenturyLink Board recommend that CenturyLink shareholders vote?

A: The CenturyLink Board has unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the issuance of CenturyLink common stock to the Level 3 stockholders in connection with the combination, are in the best interests of CenturyLink and its shareholders. The CenturyLink Board unanimously recommends that CenturyLink shareholders vote FOR the proposal to issue shares of CenturyLink common stock to Level 3 stockholders in connection with the combination and FOR the proposal to adjourn the CenturyLink special meeting, if necessary, to solicit additional proxies.

Q: Will Level 3 be required to submit the merger agreement to its stockholders even if the Level 3 Board has withdrawn (or amended or modified in a manner adverse to CenturyLink) its recommendation?

A: Yes, unless the merger agreement has been terminated by either party pursuant to the terms of the merger agreement. For more information regarding the ability of CenturyLink or Level 3 to terminate the merger agreement, see the sections entitled *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Termination Fees and Expenses; Liability for Breach*.

Q: Will CenturyLink be required to submit the CenturyLink stock issuance to its shareholders even if the CenturyLink Board has withdrawn (or amended or modified in a manner adverse to Level 3) its recommendation?

A: Yes, unless the merger agreement has been terminated by either party pursuant to the terms of the merger agreement. For more information regarding the ability of Level 3 or CenturyLink to terminate the merger

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agreement see the sections entitled *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Termination Fees and Expenses; Liability for Breach*.

Q: How many votes do I have?

A: *CenturyLink*. You are entitled to one vote for each CenturyLink common share and one vote for each CenturyLink voting preferred share that you owned as of the record date. As of the close of business on [], 2017, there were [] outstanding shares of CenturyLink common stock and [] outstanding shares of CenturyLink voting preferred stock. As of that date, less than 1.0% of the outstanding shares of CenturyLink common stock and none of the outstanding shares of CenturyLink voting preferred stock were beneficially owned by the directors and executive officers of CenturyLink.

Level 3. You are entitled to one vote for each share of Level 3 common stock that you owned as of the record date. As of the close of business on [], 2017, there were [] outstanding shares of Level 3 common stock. As of that date, less than 1.0% of the outstanding shares of Level 3 common stock were beneficially owned by the directors and executive officers of Level 3.

Q: What will happen if I fail to vote or I abstain from voting?

A: *CenturyLink*. If you are a CenturyLink shareholder and fail to vote, fail to instruct your broker or nominee to vote, or abstain from voting, it will have no effect on the CenturyLink stock issuance proposal or, if necessary, the CenturyLink adjournment proposal, assuming a quorum is present. However, your failure to cast a vote will make it more difficult to meet the quorum requirement with respect to organizing the meeting and your failure to cast a vote or your abstention from voting will make it more difficult to meet the quorum requirement with respect to the CenturyLink stock issuance proposal.

Level 3. If you are a Level 3 stockholder and fail to vote, fail to instruct your broker or nominee to vote, or abstain from voting, it will have the same effect as a vote against the proposal to adopt the merger agreement.

For purposes of the Level 3 compensation proposal and the Level 3 adjournment proposal, a failure to vote will have no effect on the approval of the proposal (assuming a quorum is present) and an abstention will have the same effect as a vote against each of the compensation proposal and the adjournment proposal.

Q: What constitutes a quorum?

A: *CenturyLink*. Shareholders who hold a majority of the total number shares of CenturyLink common stock and voting preferred stock issued and outstanding on the record date must be present or represented by proxy to constitute a quorum to organize the CenturyLink special meeting, and shareholders holding a majority of the votes entitled to be cast with respect to the proposal to issue CenturyLink common stock in connection with the initial merger must be present or represented by proxy to constitute a quorum with respect to such proposal. All shares of CenturyLink common stock or voting preferred stock represented at the CenturyLink special meeting, including abstentions and broker non-votes (shares held by a broker or nominee that are represented at the

meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal), will be treated as present for purposes of determining the presence or absence of a quorum to organize the CenturyLink special meeting, but abstentions and broker non-votes will be treated as not present for purposes of determining the presence or absence of a quorum with respect to the proposal to issue CenturyLink common stock in connection with the initial merger.

Level 3. Stockholders who hold at least a majority of the issued and outstanding Level 3 common stock as of the close of business on the record date must be present or represented by proxy to constitute a quorum to conduct the Level 3 special meeting.

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Q: What is the difference between a stockholder of record and a street name holder?

A: If your shares are registered directly in your name, you are considered the stockholder of record with respect to those shares. If your shares are held in a stock brokerage account or by a bank, trust company or other nominee, then the broker, bank, trust company or other nominee is considered to be the stockholder of record with respect to those shares, while you are considered the beneficial owner of those shares. In the latter case, your shares are said to be held in street name.

Q: If I am a beneficial owner of shares held in street name, how do I vote?

A: If you hold your shares in a stock brokerage account or if your shares are held by a bank, trust company or other nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares. Please follow the voting instructions provided by your broker or nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to CenturyLink or Level 3 or by voting in person at your special meeting. Further, brokers who hold shares of CenturyLink common stock or voting preferred stock or Level 3 common stock on behalf of their customers may not give a proxy to CenturyLink or Level 3 to vote those shares without specific instructions from their customers.

If you are a CenturyLink shareholder and you do not instruct your broker on how to vote your shares, your broker may not vote your shares on the CenturyLink stock issuance proposal, which will have no effect on the vote on this proposal, assuming a quorum is present.

If you are a Level 3 stockholder and you do not instruct your broker on how to vote your shares, your broker may not vote your shares, which will have the same effect as a vote against the proposal to adopt the merger agreement and, assuming a quorum is present, will have no effect on the compensation proposal or the Level 3 adjournment proposal.

Q: What will happen if I return my proxy card without indicating how to vote?

A: If you are a stockholder of record and you sign and return your proxy card without indicating how to vote on any particular proposal, the CenturyLink common stock or voting preferred stock or Level 3 common stock represented by your proxy will be voted in favor of that proposal.

Q: Can I change my vote after I have returned a proxy or voting instruction card?

A: Yes. You can change your vote at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can send a signed notice of revocation;

you can grant a new, valid proxy bearing a later date; or

if you are a holder of record, you can attend your special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, you must submit your notice of revocation or your new proxy to the Secretary of CenturyLink or Secretary of Level 3, as appropriate, no later than the beginning of the applicable special meeting. If your shares are held in street name by your broker or nominee, you should contact them to change your vote. If your shares are held through a CenturyLink or Level 3 retirement plan, you should contact the trustee for the plan to change your vote.

Q: What happens if I am a Level 3 stockholder who sells my shares of Level 3 common stock before the Level 3 special meeting?

A: The record date for the Level 3 special meeting is earlier than the Level 3 special meeting. If you transfer your shares of Level 3 common stock after the Level 3 record date but before the Level 3 special meeting,

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you will retain your right to vote at the Level 3 special meeting, but will have transferred the right to receive the merger consideration in the combination. In order to receive the merger consideration, you must hold your shares through the effective time of the combination.

Q: What will happen to my Level 3 restricted stock unit awards at the time of the combination?

A: Upon the completion of the initial merger, each outstanding Level 3 restricted stock unit award, including any performance restricted stock unit award (a Level 3 RSU award), granted prior to April 1, 2014 and each Level 3 RSU award granted to a non-employee member of the Level 3 Board will be cancelled in exchange for \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock covered by the award, less applicable withholding taxes.

Upon the completion of the initial merger, each outstanding Level 3 RSU award granted on or after April 1, 2014 (other than those granted to non-employee members of the Level 3 Board), will be converted into a restricted stock unit award relating to a number of shares of CenturyLink common stock equal to the product of (a) the equity award exchange ratio (described below) multiplied by (b) the number of shares of Level 3 common stock subject to the award immediately prior to the effective time of the initial merger. Following the effective time of the initial merger, the converted RSU awards will remain subject to the same terms and conditions (including vesting terms) applicable to such awards immediately prior to the effective time, except that any performance-based vesting conditions will be deemed satisfied based on the actual performance of Level 3 through the latest practicable date prior to the closing date of the combination (as determined by the compensation committee of the Level 3 Board) and the award will continue to vest based on continued service to CenturyLink. The equity award exchange ratio is equal to the sum of (1) 1.4286 plus (2) the quotient (rounded to four decimal places) of (a) \$26.50 divided by (b) the volume weighted average price of a share of CenturyLink common stock on the NYSE for the 30 trading days ending with the trading day immediately prior to the closing date of the combination.

Q: What are the material U.S. federal income tax consequences of the combination to U.S. holders of Level 3 common stock?

A: CenturyLink and Level 3 intend for the combination to be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (which we refer to as the Code). It is a condition to CenturyLink's obligation to complete the combination that CenturyLink receive an opinion from Wachtell, Lipton, Rosen & Katz, counsel to CenturyLink (or such other reputable tax counsel reasonably satisfactory to CenturyLink), to the effect that the combination will be treated as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Level 3's obligation to complete the combination that Level 3 receive an opinion from Willkie Farr & Gallagher LLP, counsel to Level 3 (or such other reputable tax counsel reasonably satisfactory to Level 3), to the effect that the combination will be treated as a reorganization within the meaning of Section 368(a) of the Code. Assuming the receipt and accuracy of these opinions, a holder of shares of Level 3 common stock will generally recognize gain (but not loss) for U.S. federal income tax purposes in an amount equal to the lesser of (i) the amount of gain realized (consisting of the excess, if any, of the sum of the amount of cash and the fair market value, as of the effective time of the merger, of the CenturyLink shares received in the combination over that stockholder's adjusted tax basis in its Level 3 common stock surrendered) and (ii) the aggregate amount of cash received in the combination.

You should read the section entitled *Material U.S. Federal Income Tax Consequences* beginning on page 145 for a more complete discussion of the U.S. federal income tax consequences of the combination. Tax matters can be complicated, and the tax consequences of the combination to you will depend on your particular situation. **You should consult your tax advisor to determine the tax consequences of the combination to you.**

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Q: When do you expect the combination to be completed?

A: Level 3 and CenturyLink intend to complete the combination as soon as reasonably practicable and currently anticipate the closing of the combination to occur by the end of the third quarter of 2017, following the satisfaction of all the conditions to closing. However, the combination is subject to various regulatory clearances and the satisfaction or waiver of other conditions and it is possible that factors outside the control of Level 3 and CenturyLink could result in the combination being completed at a later time or not at all. There can be no assurances as to when or if the combination will close. See *The Merger Agreement Conditions to Completion of the Combination*.

Q: What do I need to do now?

A: You should carefully read and consider the information contained in and incorporated by reference into this joint proxy statement/prospectus, including its annexes.

In order for your shares to be represented at your special meeting:

you can attend your special meeting in person;

you can vote through the Internet or by telephone by following the instructions included on your proxy or voting instruction card; or

you can indicate on the enclosed proxy or voting instruction card how you would like to vote and return the card in the accompanying pre-addressed postage paid envelope.

Q: Do I need to do anything with my Level 3 common stock certificates now?

A: No. After the combination is completed, if you held certificates representing shares of Level 3 common stock prior to the combination, CenturyLink's exchange agent will send you a letter of transmittal and instructions for exchanging your shares of Level 3 common stock for the merger consideration. Upon surrender of the certificates for cancellation along with the executed letter of transmittal and other required documents described in the instructions, a Level 3 stockholder will receive the merger consideration. The shares of CenturyLink common stock you receive in the combination will be issued in book-entry form.

If you are a CenturyLink shareholder, you are not required to take any action with respect to your CenturyLink stock certificates.

Q: Do I need identification to attend the CenturyLink or Level 3 meeting in person?

A: Yes. Please bring proper identification, together with proof that you are a record owner of CenturyLink or Level 3 stock. If your shares are held in street name or through a CenturyLink or Level 3 retirement plan, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned shares of CenturyLink or Level 3 stock, as applicable, on the record date.

Q: Why are Level 3 stockholders being asked to cast an advisory (non-binding) vote to approve the compensation proposal?

A: The Exchange Act and applicable SEC rules thereunder require Level 3 to seek an advisory (non-binding) vote with respect to certain payments that could become payable to its named executive officers in connection with the combination.

Q: What will happen if the Level 3 stockholders do not approve the compensation proposal at the Level 3 special meeting?

A: Approval of the compensation proposal is not a condition to the completion of the combination. The vote with respect to the compensation proposal is an advisory vote and will not be binding on either CenturyLink

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or Level 3. Therefore, if the other requisite stockholder approvals are obtained and the combination is completed, the amounts payable under the compensation proposal will continue to be payable to Level 3's named executive officers in accordance with the terms and conditions of the applicable agreements.

Q: Are stockholders entitled to appraisal rights?

A: Under the General Corporation Law of the State of Delaware (which we refer to as the Delaware law), holders of Level 3 common stock who deliver to Level 3 a written demand for appraisal before the vote on the adoption of the merger agreement at the Level 3 special meeting and who do not vote for the merger proposal have the right to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery if the combination is completed, but only if they comply with all requirements of Delaware law, as described under *Appraisal Rights* below, beginning on page 176. This appraisal amount could be more than, the same as, or less than the amount a Level 3 stockholder would be entitled to receive under the merger agreement. Any holder of Level 3 common stock intending to exercise appraisal rights must, among other things, submit a written demand for appraisal to Level 3 prior to the vote on the adoption and approval of the merger agreement and the transactions contemplated thereunder, not vote or otherwise submit a proxy in favor of adoption and approval of the merger agreement and the transactions contemplated thereunder and not submit a letter of transmittal. Failure to follow exactly the procedures specified under Delaware law will result in the loss of appraisal rights.

The CenturyLink shareholders are not entitled to appraisal rights in connection with the combination under Louisiana law.

Q: Who can help answer my questions?

A: CenturyLink shareholders or Level 3 stockholders who have questions about the combination or the other matters to be voted on at the special meetings or desire additional copies of this joint proxy statement/prospectus or additional proxy or voting instruction cards should contact:

if you are a CenturyLink shareholder:

[]

if you are a Level 3 stockholder:

[]

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SUMMARY

*This summary highlights information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you. CenturyLink and Level 3 urge you to read carefully the remainder of this joint proxy statement/prospectus, including the attached annexes, and the other documents to which we have referred you because this section does not provide all the information that might be important to you with respect to the combination and the related matters being considered at the applicable special meeting. See also the section entitled *Where You Can Find More Information* on page 182. We have included page references to direct you to a more complete description of the topics presented in this summary.*

The Companies

CenturyLink (See page 38)

CenturyLink, Inc.

100 CenturyLink Drive

Monroe, LA 71203

Telephone: (318) 388-9000

CenturyLink, a Louisiana corporation, together with its subsidiaries, is an integrated communications company engaged primarily in providing an array of communications services, including local and long-distance voice, broadband, Multi-Protocol Label Switching, private line (including special access), Ethernet, hosting (including cloud hosting and managed hosting), data integration, video, network, public access, Voice over Internet Protocol, information technology and other ancillary services. CenturyLink strives to maintain its customer relationships by, among other things, bundling its service offerings to provide a complete offering of integrated communications services.

Based on its approximately 11.2 million total access lines at September 30, 2016, CenturyLink believes that it is the third largest wireline telecommunications company in the United States. CenturyLink operates 74% of its total access lines in portions of Colorado, Arizona, Washington, Minnesota, Florida, North Carolina, Oregon, Iowa, Utah, New Mexico, Missouri, and Nevada. CenturyLink also provides local service in portions of Idaho, Ohio, Wisconsin, Virginia, Texas, Nebraska, Pennsylvania, Montana, Alabama, Indiana, Arkansas, Wyoming, Tennessee, New Jersey, South Dakota, North Dakota, Kansas, Louisiana, South Carolina, Michigan, Illinois, Georgia, Mississippi, Oklahoma, and California. In the portion of these 37 states where CenturyLink has access lines, CenturyLink is the incumbent local telephone company.

At September 30, 2016, CenturyLink served approximately 6.0 million broadband subscribers and approximately 318,000 Prism TV subscribers. CenturyLink's methodology for counting access lines, broadband subscribers and Prism TV subscribers may not be comparable to those of other companies.

Additional information about CenturyLink and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 182.

Level 3 (See page 38)

Level 3 Communications, Inc.

1025 Eldorado Boulevard

Broomfield, Colorado 80021

(720) 888-1000

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Level 3, a Delaware corporation, through its subsidiaries, is a facilities-based provider (that is, a provider that owns or leases a substantial portion of the plant, property and equipment necessary to provide its services) of a broad range of integrated communications services. Level 3 created its communications network by constructing its own assets and through a combination of purchasing other companies and purchasing or leasing facilities from others. Level 3's network is an international, facilities-based communications network. Level 3 designed its network to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol, computing and storage technologies. Level 3's comprehensive portfolio of secure, managed solutions includes fiber and infrastructure solutions, IP-based voice and data communications, wide-area Ethernet services, video and content distribution, and data center and cloud-based solutions. Level 3 serves customers in more than 500 markets in over 60 countries. Additional information about Level 3 and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page 182.

Wildcat Merger Sub 1 LLC (See page 39)

Wildcat Merger Sub 1 LLC, an indirect wholly owned subsidiary of CenturyLink, is a Delaware limited liability company formed on October 28, 2016 for the purpose of effecting the combination. Upon completion of the initial merger, Wildcat Merger Sub 1 LLC will be merged with and into Level 3 with Level 3 surviving as an indirect wholly owned subsidiary of CenturyLink.

Wildcat Merger Sub 1 LLC has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the combination.

WWG Merger Sub LLC (See page 39)

WWG Merger Sub LLC, an indirect wholly owned subsidiary of CenturyLink, is a Delaware limited liability company formed on October 28, 2016 for the purpose of effecting the combination. Upon completion of the subsequent merger, Level 3 will be merged with and into WWG Merger Sub LLC with WWG Merger Sub LLC surviving as a direct wholly owned subsidiary of a newly-created holding company, which in turn is a direct wholly owned subsidiary of CenturyLink.

WWG Merger Sub LLC has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the combination.

Risk Factors

Before voting at the CenturyLink special meeting or the Level 3 special meeting, you should carefully consider all of the information contained in or as incorporated by reference into this joint proxy statement/prospectus, as well as the specific factors under the heading *Risk Factors* beginning on page 20. Some of the most important risks are summarized below:

Risks Related to the Combination (See page 20)

The exchange ratio and the amount of cash consideration are fixed and will not be adjusted in the event of any change in either CenturyLink's or Level 3's stock price.

The completion of the combination is subject to receipt of consents and approvals, which may impose conditions that could have an adverse effect on CenturyLink or Level 3 and could cause the combination to be abandoned.

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The failure to complete the combination could negatively affect the stock prices and the future business and financial results of Level 3 and CenturyLink.

Risks Related to CenturyLink Following the Combination (See page 24)

Although CenturyLink and Level 3 expect that CenturyLink's acquisition of Level 3 will benefit CenturyLink, CenturyLink may not realize the anticipated benefits because the combined company may be unable to integrate successfully the businesses of CenturyLink and Level 3.

The Level 3 and CenturyLink prospective financial information is inherently subject to uncertainties and the unaudited pro forma financial data for CenturyLink included in this joint proxy statement/prospectus is preliminary, and CenturyLink's actual financial position and operations after the combination may differ materially from these estimates and the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The Combination and the Merger Agreement

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. CenturyLink and Level 3 encourage you to read the entire merger agreement carefully because it is the principal document governing the merger. For more information on the merger agreement, see the section entitled *The Merger Agreement* beginning on page 120.

Effect of the Mergers (See page 120)

Subject to the terms and conditions of the merger agreement, at the effective time of the initial merger, merger sub 1 will be merged with and into Level 3, with Level 3 continuing as the surviving company and an indirect wholly owned subsidiary of CenturyLink. Immediately after the effective time of the initial merger, Level 3 will merge with and into merger sub 2, with merger sub 2 continuing as the surviving company and an indirect wholly owned subsidiary of CenturyLink.

Merger Consideration; Treatment of Level 3 Equity Awards (See page 133)

Upon completion of the combination, Level 3 stockholders (excluding shares as to which appraisal rights have been properly exercised pursuant to Delaware law) will have the right to receive \$26.50 in cash and 1.4286 shares of CenturyLink common stock for each share of Level 3 common stock they own at closing, with cash paid in lieu of fractional shares. The exchange ratio is fixed and will not be adjusted for changes in the market value of the common stock of Level 3 or CenturyLink. Because of this, the implied value of the consideration to Level 3 stockholders will fluctuate until the completion of the combination. Based on the closing price of CenturyLink common stock on the NYSE of \$28.25 on October 26, 2016, the last trading day before public reports of a possible transaction, the merger consideration represented approximately \$66.86 of aggregate value for each share of Level 3 common stock. Based on the CenturyLink closing price of \$[] on [], 2017, the latest practicable date before the date of this document, the merger consideration represented approximately \$[] of aggregate value for each share of Level 3 common stock. See *Comparative Stock Price Data and Dividends* on page 164.

Upon the completion of the initial merger, each outstanding Level 3 RSU award granted prior to April 1, 2014 and each Level 3 RSU award granted to a non-employee member of the Level 3 Board will be cancelled in exchange for \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock covered by the

award, less applicable withholding taxes.

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Upon the completion of the initial merger, each outstanding Level 3 RSU award granted on or after April 1, 2014 (other than those granted to non-employee members of the Level 3 Board), will be converted into a restricted stock unit award relating to a number of shares of CenturyLink common stock equal to the product of (a) the equity award exchange ratio (described below) multiplied by (b) the number of shares of Level 3 common stock subject to the award immediately prior to the effective time of the initial merger. Following the effective time of the initial merger, the converted RSU awards will remain subject to the same terms and conditions (including vesting terms) applicable to such awards immediately prior to the effective time, except that any performance-based vesting conditions will be deemed satisfied based on the actual performance of Level 3 through the latest practicable date prior to the closing date of the combination (as determined by the compensation committee of the Level 3 Board) and the award will continue to vest based on continued service to CenturyLink. The equity award exchange ratio is equal to the sum of (1) 1.4286 plus (2) the quotient (rounded to four decimal places) of (a) \$26.50 divided by (b) the volume weighted average price of a share of CenturyLink common stock on the NYSE for the 30 trading days ending with the trading day immediately prior to the closing date of the combination.

Material U.S. Federal Income Tax Consequences of the Merger (See page 145)

CenturyLink and Level 3 intend for the combination to be treated as a reorganization within the meaning of Section 368(a). It is a condition to CenturyLink's obligation to complete the combination that CenturyLink receive an opinion from Wachtell, Lipton, Rosen & Katz, counsel to CenturyLink (or such other reputable tax counsel reasonably satisfactory to CenturyLink), to the effect that the combination will be treated as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to Level 3's obligation to complete the combination that Level 3 receive an opinion from Willkie Farr & Gallagher LLP, counsel to Level 3, (or such other reputable tax counsel reasonably satisfactory to Level 3), to the effect that the combination will be treated as a reorganization within the meaning of Section 368(a) of the Code. Assuming the receipt and accuracy of these opinions, a holder of shares of Level 3 common stock will generally recognize gain (but not loss) for U.S. federal income tax purposes in an amount equal to the lesser of (i) the amount of gain realized (consisting of the excess, if any, of the sum of the amount of cash and the fair market value, as of the effective time of the merger, of the CenturyLink shares received in the combination over that stockholder's adjusted tax basis in its Level 3 common stock surrendered) and (ii) the aggregate amount of cash received in the combination.

You should read the section entitled *Material U.S. Federal Income Tax Consequences* beginning on page 145 for a more complete discussion of the U.S. federal income tax consequences of the combination. Tax matters can be complicated, and the tax consequences of the combination to you will depend on your particular situation. **You should consult your tax advisor to determine the tax consequences of the combination to you.**

Recommendations of the CenturyLink Board (See page 40)

After careful consideration, the CenturyLink Board, on October 30, 2016, unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the CenturyLink stock issuance, are in the best interests of CenturyLink and its shareholders. For the factors considered by the CenturyLink Board in reaching its decision to approve the merger agreement, see the section entitled *The Combination and the Stock Issuance CenturyLink's Reasons for the Combination; Recommendation of the Stock Issuance by the CenturyLink Board* beginning on page 59. **The CenturyLink Board unanimously recommends that the CenturyLink shareholders vote FOR the proposal to issue shares of CenturyLink common stock in connection with the combination.**

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Recommendation of the Level 3 Board (See page 46)

After careful consideration, the Level 3 Board, on October 30, 2016, unanimously approved and adopted the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the combination, are advisable and in the best interests of Level 3 and its stockholders. For the factors considered by the Level 3 Board in reaching its decision to approve and adopt the merger agreement, see the section entitled *The Combination and the Stock Issuance Level 3's Reasons for the Combination; Recommendation of the Combination by the Level 3 Board* beginning on page 61. **The Level 3 Board unanimously recommends that the Level 3 stockholders vote FOR the proposal to adopt the merger agreement.**

Opinions of CenturyLink's Financial Advisors

Opinion of BofA Merrill Lynch (See page 65)

In connection with the combination, Merrill Lynch, Pierce, Fenner & Smith Incorporated, which we refer to as BofA Merrill Lynch, financial advisor to CenturyLink, delivered to the CenturyLink Board an oral opinion, which was confirmed by delivery of a written opinion, dated October 30, 2016, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be paid by CenturyLink was fair, from a financial point of view, to CenturyLink.

The full text of the written opinion, dated October 30, 2016, of BofA Merrill Lynch, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex E to this document. The summary of BofA Merrill Lynch's opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. **BofA Merrill Lynch provided its opinion to the CenturyLink Board (in its capacity as such) for the benefit and use of the CenturyLink Board in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the combination and no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. BofA Merrill Lynch's opinion does not address any other aspect of the combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed combination or any related matter.**

Opinion of Morgan Stanley (See page 68)

Morgan Stanley & Co. LLC, which we refer to as Morgan Stanley, was retained by the CenturyLink Board to act as financial advisor in connection with the combination. On October 30, 2016, Morgan Stanley rendered its oral opinion, which was subsequently confirmed in writing, to the CenturyLink Board to the effect that, as of that date and based upon and subject to the assumptions made, procedures followed, matters considered and qualifications and limitations on the scope of review undertaken by Morgan Stanley as set forth in its written opinion, the merger consideration to be paid by CenturyLink pursuant to the merger agreement was fair from a financial point of view to CenturyLink.

The full text of the written opinion, dated October 30, 2016, of Morgan Stanley, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex F to this document. The summary of Morgan Stanley's opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. **Morgan Stanley provided its opinion to the CenturyLink Board (in its capacity as such) for the benefit and use of the CenturyLink Board in connection with and for purposes of its evaluation of the merger**

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consideration from a financial point of view. Morgan Stanley's opinion does not address any other aspect of the combination and no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. Morgan Stanley's opinion does not address any other aspect of the combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed combination or any related matter.

Opinion of Evercore (See page 77)

In connection with the combination, CenturyLink retained Evercore Group L.L.C., which we refer to as Evercore, to act as a financial advisor to CenturyLink and the CenturyLink Board. On October 30, 2016, at a meeting of the CenturyLink Board, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion that, based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, as of such date, the merger consideration was fair, from a financial point of view, to CenturyLink.

The full text of the written opinion, dated October 30, 2016, of Evercore, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex G to this document. The summary of Evercore's opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. **Evercore provided its opinion to the CenturyLink Board (in its capacity as such) for the benefit and use of the CenturyLink Board in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. Evercore's opinion does not address any other aspect of the combination and no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. Evercore's opinion does not address any other aspect of the combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed combination or any related matter.**

Opinions of Level 3's Financial Advisors***Opinion of Citi (See page 87)***

On October 30, 2016, Citigroup Global Markets Inc., which we refer to as Citi, financial advisor to Level 3, rendered its oral opinion to the Level 3 Board, which was confirmed by delivery of a written opinion dated October 31, 2016, to the effect that, as of such date and based on and subject to factors, procedures, assumptions, qualifications and limitations contained therein, Citi's experience as investment bankers, the work described in Citi's opinion and other factors deemed relevant by Citi, each as described in greater detail in the section entitled *The Combination and the Stock Issuance Opinions of Level 3's Financial Advisors Opinion of Citigroup Global Markets Inc.*, the merger consideration to be received by the Level 3 stockholders, other than with respect to shares of Level 3 common stock held by stockholders that have properly perfected their rights of appraisal within the meaning of Section 262 of the Delaware law (such shares, the "excluded shares"), in the initial merger was fair, from a financial point of view, to such holders. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to the Level 3 Board in connection with its evaluation of the combination and was limited to the fairness, from a financial point of view, as of the date of Citi's opinion, to the Level 3 stockholders (other than with respect to excluded shares) of the merger consideration to be received by such holders in connection with the combination.

Citi's opinion does not address any other aspects or implications of the combination and does not constitute a recommendation to any stockholder as to how such stockholder should vote or act on any

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matters relating to the transactions contemplated by the merger agreement, including the initial merger. The summary of Citi's opinion contained in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of the opinion. We encourage you to read the full text of Citi's written opinion, which is attached to this joint proxy statement/prospectus as Annex C and sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the scope of review undertaken.

For a description of the opinion that the Level 3 Board received from Citi, see the section entitled *The Combination and the Stock Issuance Opinions of Level 3's Financial Advisors Opinion of Citigroup Global Markets Inc.* beginning on page 87.

Opinion of Lazard (See page 95)

On October 30, 2016, Lazard Frères & Co. LLC, which we refer to as Lazard, financial advisor to Level 3, rendered its oral opinion, subsequently confirmed in writing by delivery of a written opinion, dated October 30, 2016, to the Level 3 Board, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the per share merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock to be paid to Level 3 stockholders, other than the holders of shares of Level 3 common stock that have properly perfected their rights of appraisal within the meaning of Section 262 of the Delaware law, in the combination was fair, from a financial point of view, to such holders of Level 3 common stock.

The full text of Lazard's written opinion, dated October 30, 2016, which sets forth the assumptions made, procedures followed, factors considered and qualifications and limitations on the scope of review undertaken by Lazard in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex D and is incorporated into this joint proxy statement/prospectus by reference. The description of Lazard's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard's written opinion attached as Annex D. You are encouraged to read Lazard's opinion carefully and in its entirety.

Lazard's opinion was for the benefit of the Level 3 Board (in its capacity as such) and Lazard's opinion was rendered to the Level 3 Board in connection with its evaluation of the transactions. Lazard's opinion was not intended to and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the transactions or any matter relating thereto. For a description of the opinion that the Level 3 Board received from Lazard, see the section entitled *The Combination and the Stock Issuance Opinions of Level 3's Financial Advisors Opinion of Lazard Frères & Co. LLC* beginning on page 95.

CenturyLink's Executive Officers and Directors Have Financial Interests in the Combination That Differ from the Interests of CenturyLink Shareholders (See page 105)

Some of CenturyLink's executive officers and directors have financial interests in the combination that are different from, or in addition to, the interests of CenturyLink shareholders generally. The CenturyLink Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the combination, in approving the merger agreement, and in recommending that the shareholders approve the issuance of CenturyLink common stock to Level 3 stockholders in connection with the combination.

Following the consummation of the combination, all members of the CenturyLink Board are expected to continue as directors of the combined company. Except as otherwise described in this joint proxy statement/prospectus, the executive officers of CenturyLink are currently expected to continue as executive officers of the combined company. Decisions on executive officers are subject to change as the parties complete integration planning and as decisions are

made concerning the management structure of the combined company. In addition, in connection with the combination, CenturyLink plans to establish and grant awards under a retention program in which executive officers of CenturyLink may be eligible participate.

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Please see *The Combination and the Stock Issuance Financial Interests of CenturyLink Directors and Executive Officers in the Combination* beginning on page 105 for additional information about these financial interests.

Level 3 s Executive Officers and Directors Have Financial Interests in the Combination That Differ from the Interests of Level 3 Stockholders (See page 105)

Certain members of the Level 3 Board and certain executive officers of Level 3 may be deemed to have financial interests in the combination that are in addition to, or different from, the interests of other Level 3 stockholders generally. The Level 3 Board was aware of these interests and considered them, among other matters, in approving the combination and the merger agreement and in making the recommendations that Level 3 stockholders approve and adopt the merger agreement and approve the combination and the other transactions contemplated by the merger agreement. These interests include:

outstanding Level 3 RSU awards held by the members of the Level 3 Board and Level 3 s executive officers, which will either be cancelled in exchange for the per share merger consideration or assumed by CenturyLink;

the terms of outstanding Level 3 RSU awards that will be assumed provide for the accelerated vesting of all or a portion of the awards upon certain qualifying terminations of employment following the effective time of the combination;

each Level 3 executive officer participates in the Key Executive Severance Plan, which provides the executive officer with cash severance and other benefits in the case of a qualifying termination of employment following the completion of the combination;

in connection with the execution of the merger agreement, Level 3 may adopt a retention program in which Level 3 s executive officers are eligible to participate; and

Level 3 directors and executive officers are entitled to continued indemnification and insurance coverage under the merger agreement.

Governance Matters After the Combination (See page 130)

CenturyLink has agreed to appoint to the CenturyLink Board on or prior to the effective time of the initial merger, (i) three members of Level 3 s Board, to be selected by CenturyLink and who are not affiliated with STT Crossing, and (ii) in accordance with the terms of the shareholder rights agreement, one member of Level 3 s Board to be designated by STT Crossing. If any of the Level 3 directors selected by CenturyLink to serve on the CenturyLink Board are unwilling or unable to serve on CenturyLink s Board, then CenturyLink shall select another candidate from Level 3 s Board not affiliated with or designated by STT Crossing. CenturyLink has agreed to cause all such appointed directors to be nominated for election to the CenturyLink Board at the first annual meeting following the closing of the combination. In addition, in accordance with the terms of the shareholder rights agreement, CenturyLink has also agreed to nominate the STT Crossing designee to the CenturyLink Board for the first three annual meetings of CenturyLink following the completion of the combination, unless STT Crossing and its affiliates do not beneficially

own at least 85% of the CenturyLink common stock to be received by them at the completion of the combination.

CenturyLink expects Jeff K. Storey, Level 3's president and chief executive officer, Steven T. Clontz, senior executive vice president of Singapore Technologies Telemedia Pte. Ltd., [] and [] to join the CenturyLink Board upon completion of the combination, with Mr. Clontz serving as the designee of STT Crossing.

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Regulatory Approvals Required for the Combination (See page 115)

As more fully described in this joint proxy statement/prospectus, the completion of the combination is subject to the receipt of the following regulatory approvals, among others:

the expiration or earlier termination of the waiting period (and any extension thereof) applicable to the combination under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to as the HSR Act;

the receipt of the authorizations required to be obtained from the Federal Communications Commission, which we refer to as the FCC, and certain state regulatory agencies; and

completion of the Committee on Foreign Investment in the United States, which we refer to as CFIUS, process, if a notice of merger is provided to CFIUS.

Conditions to Completion of the Combination (See page 136)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the combination depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, receipt of the requisite approvals of CenturyLink shareholders and Level 3 stockholders, the expiration or early termination of the waiting period under the HSR Act, the receipt of all required regulatory approvals by the FCC and certain state regulators, approval by CFIUS if a notice of the combination is provided to CFIUS, the absence of any law or order prohibiting the merger and the receipt of required regulatory approvals from certain state regulators and other governmental entities so long as failure to receive such approvals does not have certain material effects on one or more of the parties to the merger, the shares of CenturyLink common stock to be issued in connection with the combination having been approved for listing on the NYSE, the effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part, the correctness of all representations and warranties made by the parties in the merger agreement and performance by the parties of their obligations under the merger agreement (subject in each case to certain materiality standards) and the receipt of legal opinions from their respective tax counsel regarding the qualification of the combination as a reorganization for U.S. federal income tax purposes.

We cannot be certain when, or if, the conditions to the combination will be satisfied or waived, or that the combination will be completed.

Termination of the Merger Agreement (See page 138)

CenturyLink and Level 3 may mutually agree to terminate the merger agreement before completing the combination, even after approval of the CenturyLink shareholders or approval of the Level 3 stockholders.

In addition, either CenturyLink or Level 3 may decide to terminate the merger agreement if:

the combination is not consummated by October 31, 2017, subject to extension by either party to not later than January 31, 2018 if all of the conditions to the completion of the combination other than the receipt of the required regulatory approvals have been satisfied or are capable of being satisfied;

a court or other governmental entity issues a final and nonappealable order prohibiting or making illegal the transactions contemplated by the merger agreement;

CenturyLink shareholders fail to approve the issuance of shares of CenturyLink common stock in connection with the combination;

Level 3 stockholders fail to approve and adopt the merger agreement; or

the other party breaches the merger agreement in a way that would entitle the party seeking to terminate the agreement not to consummate the combination, subject to the right of the breaching party to cure the breach.

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Either party may also terminate the merger agreement:

prior to the shareholder approval of the other party being obtained, if the board of directors of the other party (i) withdraws, modifies or amends its approval or recommendation of the merger agreement or the combination in any manner adverse to the terminating party or (ii) approves or recommends a competing takeover proposal with a third party; or

concurrently with entering into a definitive acquisition agreement with respect to a competing takeover proposal that (i) the board of directors of such party has determined to be superior to the combination and (ii) as to which the board of directors of such party has concluded that the failure to take such action is inconsistent with the fiduciary duties of such party's board of directors, subject to a matching period for the benefit of the other party and other procedural requirements.

Either party may also terminate the merger agreement if the other party fails to call or hold the meeting of its shareholders in connection with the combination or commits an intentional breach of its non-solicitation obligations under the merger agreement.

The merger agreement also prohibits CenturyLink and Level 3 from soliciting, or participating in discussions or negotiations or providing information with respect to, competing takeover proposals, subject to certain exceptions.

Expenses and Termination Fees (See page 139)

Generally, all fees and expenses incurred in connection with the merger and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, subject to specific exceptions provided in the merger agreement. Each of CenturyLink and Level 3 is also required to reimburse the other party for 50% of such other party's reasonably documented fees and expenses in the event of the termination of the merger agreement as a result of the failure to obtain the requisite approval of such party's shareholders, subject to a maximum reimbursement of up to (i) \$20 million, in the case of CenturyLink's obligation to reimburse Level 3, and (ii) \$75 million, in the case of Level 3's obligation to reimburse CenturyLink. The merger agreement further provides that, under certain circumstances involving a termination of the merger agreement, Level 3 may be obligated to pay CenturyLink a termination fee of \$737.5 million and CenturyLink may be obligated to pay Level 3 a termination fee of \$471.5 million, less, in each case, a credit for any previously paid reimbursement of expenses.

See the section entitled *The Merger Agreement Termination Fees and Expenses; Liability for Breach* beginning on page 139 for a complete discussion of the circumstances under which termination fees will be required to be paid.

Accounting Treatment (See page 148)

CenturyLink prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States, which we refer to as GAAP. The combination will be accounted for by applying the acquisition method with CenturyLink treated as the acquiror. Please see the section entitled *Accounting Treatment* on page 148.

Appraisal Rights (See page 176)

Level 3 stockholders who do not vote in favor of the proposal to adopt the merger agreement will have the right to demand appraisal of their shares of Level 3 common stock and obtain payment in cash for the fair value of their shares, but only if they perfect their appraisal rights and comply with the applicable provisions of

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Delaware law. A copy of the Delaware statutory provisions related to appraisal rights is attached as Annex H to this joint proxy statement/prospectus, and a summary of these provisions can be found under *Appraisal Rights*. Failure to strictly comply with the applicable provisions of Delaware law will result in the loss of the right of appraisal.

Under Louisiana law, the holders of CenturyLink common stock and preferred stock are not entitled to appraisal rights in connection with the CenturyLink stock issuance proposal.

The CenturyLink Special Meeting

The CenturyLink special meeting will be held at 100 CenturyLink Drive, Monroe, Louisiana 71203 at [], local time, on [], 2017. At the CenturyLink special meeting, CenturyLink shareholders will be asked to approve:

the CenturyLink stock issuance proposal; and

if necessary, the CenturyLink adjournment proposal.

You may vote at the CenturyLink special meeting if you owned shares of CenturyLink common stock or voting preferred stock at the close of business on [], 2017. You may cast one vote for each share of common stock or voting preferred stock of CenturyLink that you owned on the record date. On that date, there were [] shares of common stock and [] shares of voting preferred stock of CenturyLink outstanding and entitled to vote.

Approval of the CenturyLink stock issuance proposal requires the affirmative vote of a majority of the votes cast on such matter at the CenturyLink special meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum is present). Approval of the CenturyLink adjournment proposal requires approval by the affirmative vote of a majority of the votes cast on such matter at such meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum exists).

On the record date, less than 1.0% of the outstanding shares of CenturyLink common stock and none of the outstanding shares of CenturyLink voting preferred stock were held by CenturyLink directors and executive officers and their affiliates. CenturyLink currently expects that CenturyLink's directors and executive officers will vote their shares in favor of the issuance of CenturyLink common stock in the combination.

The Level 3 Special Meeting

The Level 3 special meeting will be held at Level 3's headquarters at 1025 Eldorado Boulevard, Broomfield, Colorado 80021, at [], local time, on [], 2017. At the Level 3 special meeting, Level 3 stockholders will be asked:

to consider and vote on the merger proposal;

to consider and vote on the compensation proposal; and

to consider and vote on the Level 3 adjournment proposal.

You may vote at the Level 3 special meeting if you owned shares of Level 3 common stock at the close of business on [], 2017, the record date. As of the close of business on the record date, there were [] shares of common stock of Level 3 outstanding and entitled to vote. You may cast one vote for each share of Level 3 common stock that you owned on the record date.

Completion of the combination is conditioned on the approval of the merger proposal. Approval of the merger proposal requires the affirmative vote of holders of a majority of the issued and outstanding shares of

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Level 3 common stock to approve and adopt the proposal. Approval of the Level 3 adjournment proposal and the compensation proposal each requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock present in person or represented by proxy at the Level 3 special meeting.

On the record date for the Level 3 special meeting, the directors and executive officers of Level 3 and their affiliates owned and were entitled to vote [] shares of Level 3 s common stock, representing []% of the outstanding Level 3 common stock (including [] shares of Level 3 common stock held by STT Crossing and its affiliates, representing []% of the outstanding Level 3 common stock). Level 3 currently expects that Level 3 s directors and executive officers will vote their shares in favor of the merger proposal and the compensation proposal.

Table of Contents**Selected Historical Financial Data of CenturyLink**

The following tables set forth selected consolidated financial information for CenturyLink. The selected statement of operations data for the nine months ended September 30, 2016 and 2015 and the selected balance sheet data as of September 30, 2016 and 2015 have been derived from CenturyLink's unaudited consolidated financial statements. In the opinion of CenturyLink's management, all adjustments considered necessary for a fair presentation of the interim September 30 financial information have been included. The selected statement of operations data for each of the years in the five-year period ended December 31, 2015 and the selected balance sheet data as of December 31 for each of the years in the five-year period ended December 31, 2015 have been derived from CenturyLink's consolidated financial statements that were audited by KPMG LLP. The following information should be read together with CenturyLink's consolidated financial statements, the notes related thereto and management's related reports on CenturyLink's financial condition and performance, all of which are contained in CenturyLink's reports filed with the SEC and incorporated herein by reference. See *Where You Can Find More Information*. The operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the entire year ended December 31, 2016.

<i>(In millions, except per share amounts)</i>	Nine Months Ended		Year Ended December 31,				
	September 30, 2016	2015	2015	2014	2013	2012	2011
Selected Statement of Operations Data							
Operating revenues	\$ 13,181	13,424	17,900	18,031	18,095	18,376	15,351
Operating income	\$ 1,939	1,854	2,605	2,410	1,453	2,713	2,025
Net income (loss)	\$ 584	540	878	772	(239)	777	573
Earnings (loss) per common share							
Basic	\$ 1.08	0.97	1.58	1.36	(0.40)	1.25	1.07
Diluted	\$ 1.08	0.97	1.58	1.36	(0.40)	1.25	1.07
Dividends declared per common share	\$ 1.62	1.62	2.16	2.16	2.16	2.90	2.90
Weighted average basic shares							
outstanding	539.4	558.5	554.3	568.4	600.9	620.2	532.8
Weighted average diluted shares							
outstanding	540.5	559.3	555.1	569.7	600.9	622.3	534.1

<i>(In millions)</i>	September 30,		December 31,				
	2016	2015	2015	2014	2013	2012	2011
Selected Balance Sheet Data							
Net property, plant and equipment	\$ 17,840	18,068	18,069	18,433	18,646	18,909	19,361
Goodwill	\$ 20,766	20,757	20,742	20,755	20,674	21,627	21,627
Total assets	\$ 46,796	48,754	47,604	49,103 ⁽¹⁾	50,471 ⁽¹⁾	52,901 ⁽¹⁾	54,842 ⁽¹⁾
Long-term debt, including							
current portion	\$ 19,718	20,414	20,225	20,503 ⁽¹⁾	20,809 ⁽¹⁾	20,481 ⁽¹⁾	21,758 ⁽¹⁾
Shareholders' equity	\$ 13,892	14,250	14,060	15,023	17,191	19,289	20,827

*(In thousands)***Selected Operating Data****(unaudited):**

Total access lines	11,231	11,915	11,748	12,394	13,002	13,751	14,587
Total broadband subscribers	5,950	6,071	6,048	6,082	5,991	5,851	5,655

- (1) Reflects retrospective application of the requirements of Accounting Standard Update, or ASU, 2015-03 Simplifying the Presentation of Debt Issuance Costs and ASU 2015-17 Balance Sheet Classification of Deferred Taxes as described on CenturyLink's Form 10-K for the year ended December 31, 2015.

Table of Contents**Selected Historical Financial Data of Level 3**

The following tables set forth selected consolidated financial information for Level 3. The selected statement of operations data for the nine months ended September 30, 2016 and 2015 and the selected balance sheet data as of September 30, 2016 and 2015 have been derived from Level 3's unaudited consolidated financial statements. In the opinion of Level 3's management, all adjustments considered necessary for a fair presentation of the interim September 30 financial information have been included. The selected statement of operations data for each of the years in the five year period ended December 31, 2015 and the selected balance sheet data as of December 31 for each of the years in the five year period ended December 31, 2015 have been derived from Level 3's consolidated financial statements that were audited by KPMG LLP, except as noted below. The following information should be read together with Level 3's consolidated financial statements, the notes related thereto and management's related reports on Level 3's financial condition and performance, all of which are contained in Level 3's reports filed with the SEC and incorporated herein by reference. See *Where You Can Find More Information*. The operating results for the nine months ended September 30, 2016 are not necessarily indicative of the results to be expected for the entire year ended December 31, 2016.

<i>(In millions, except per share amounts)</i>	Nine Months Ended		Year Ended December 31,				
	September 30, 2016	2015	2015	2014	2013	2012	2011
Selected Statement of Operations Data⁽¹⁾							
Revenue	\$ 6,140	6,176	8,229	6,777	6,313	6,376	4,333
Income (loss) from continuing operations	\$ 427	110	3,433	314	(109)	(422)	(827)
Income (loss) from continuing operations per share							
Basic	\$ 1.19	0.31	9.71	1.23	(0.49)	(1.96)	(6.03)
Diluted	\$ 1.18	0.31	9.58	1.21	(0.49)	(1.96)	(6.03)
Net income (loss)	\$ 427	110	3,433	314	(109)	(422)	(756)
Net income (loss) per common share							
Basic ⁽²⁾	\$ 1.19	0.31	9.71	1.23	(0.49)	(1.96)	(5.51)
Diluted ⁽²⁾	\$ 1.18	0.31	9.58	1.21	(0.49)	(1.96)	(5.51)
Dividends declared per common share							
Weighted average basic shares outstanding	358.1	352.4	353.4	254.4	222.4	215.4	137.2
Weighted average diluted shares outstanding	361.1	355.5	358.6	258.5	222.4	215.4	137.2

<i>(In millions)</i>	September 30,		December 31,				
	2016	2015	2015	2014	2013	2012	2011
Selected Balance Sheet Data							
Total assets	\$ 24,746	20,756 ⁽³⁾	24,017 ⁽³⁾	20,802 ⁽³⁾	12,754 ⁽³⁾	13,174 ⁽³⁾	13,072 ⁽³⁾
Current portion of long-term debt	\$ 7	16	15	349	31	216	65
Long-term debt, less current portion	\$ 10,875	10,870 ⁽³⁾	10,866 ⁽³⁾	10,839 ⁽³⁾	8,211 ⁽³⁾	8,383 ⁽³⁾	8,269 ⁽³⁾

Stockholders equity	\$ 10,724	6,780	10,126	6,363	1,411	1,171	1,193
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- (1) The selected historical financial data of Level 3 set forth above should be read together with the notes to the selected historical financial data of Level 3 included in Item 6 of Level 3's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 26, 2016, which notes are incorporated herein by reference in their entirety.
- (2) In the fourth quarter of 2015, with the continued expectation of generating income before taxes in the United States, Level 3 released a significant portion of its valuation allowance against its net U.S. federal and state deferred tax asset position. The release of the valuation allowance benefited income tax expense and net income by approximately \$3.3 billion.
- (3) Reflects retrospective application of the requirements of ASU 2015-03 Simplifying the Presentation of Debt Issuance Costs as described on Level 3's Form 10-Q for the quarter ended March 31, 2016.

Table of Contents**Summary Unaudited Pro Forma Condensed Combined Financial Information**

The following table shows summary unaudited pro forma condensed combined financial information about the combined financial condition and operating results of CenturyLink and Level 3 after giving effect to the combination. The unaudited pro forma financial information assumes that the combination is accounted for by applying the acquisition method with CenturyLink treated as the acquirer. The unaudited pro forma condensed combined balance sheet data gives effect to the combination as if it had occurred on September 30, 2016. The unaudited pro forma condensed combined statements of operations data gives effect to the combination as if it had become effective at January 1, 2015. The summary unaudited selected pro forma condensed combined financial information listed below has been derived from and should be read in conjunction with (i) the more detailed unaudited pro forma condensed combined financial information, including the notes thereto, appearing elsewhere in this joint proxy statement/prospectus and (ii) the consolidated financial statements and the related notes of both CenturyLink and Level 3, each incorporated herein by reference. See *Unaudited Pro Forma Condensed Combined Financial Information* on page 149 and *Where You Can Find More Information* on page 182.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the combined operating results or financial position that would have occurred if such transactions had been consummated on the dates and in accordance with the assumptions described herein, nor is it necessarily indicative of the combined company's future operating results or financial position. The unaudited pro forma condensed combined financial information does not give effect to (i) any potential revenue enhancements or cost synergies that could result from the combination or (ii) any transaction or integration costs relating to the combination. In addition, as explained in more detail in the accompanying notes to the unaudited pro forma condensed combined financial information, the preliminary allocation of the pro forma aggregate consideration reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary materially from the definitive allocation of the final aggregate consideration that will be recorded subsequent to completion of the combination. The determination of the final aggregate consideration will be based on the number of shares of Level 3 common stock outstanding and CenturyLink's stock price at closing. For additional information on the limitations of this information, see *Risk Factors Risk Factors Relating to CenturyLink Following the Combination Other Risks The historical and unaudited pro forma condensed combined financial information included elsewhere in this joint proxy statement/prospectus may not be representative of CenturyLink's results after the combination, and accordingly, you have limited financial information on which to evaluate the combined company.*

	Year Ended December 31, 2015	Nine Months Ended September 30, 2016
	(Unaudited)	
	(In millions, except per share amounts)	
<u>Statement of Operations Data</u>		
Net Operating revenues	\$ 25,729	\$ 19,031
Operating income	\$ 2,566	\$ 2,088
Net income	\$ 3,231	\$ 232
Basic earnings per share	\$ 3.05	\$ 0.22
Diluted earnings per share	\$ 3.03	\$ 0.22

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	September 30, 2016 (Unaudited) (In millions)
<u>Summary Balance Sheet</u>	
Net property, plant and equipment	\$ 28,007
Goodwill	\$ 35,373
Total assets	\$ 80,517
Long-term debt, including current portion	\$ 39,273
Shareholders' equity	\$ 26,412

Table of Contents**Unaudited Equivalent and Comparative Per Share Data**

The following table sets forth, for the nine months ended September 30, 2016 and the year ended December 31, 2015, selected per share information for CenturyLink common stock on a historical and unaudited pro forma combined basis and for Level 3 common stock on a historical and pro forma equivalent basis. Except for the historical information as of and for the year ended December 31, 2015, the information in the table is unaudited. You should read the table below together with the historical consolidated financial statements and related notes of CenturyLink and Level 3 contained in their respective Annual Reports on Form 10-K for the year ended December 31, 2015 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, all of which are incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* on page 182.

The CenturyLink pro forma combined earnings per share were calculated using the methodology described below under the heading *Unaudited Pro Forma Condensed Combined Financial Information*, and is subject to all the assumptions, adjustments and limitations described thereunder. The CenturyLink pro forma combined cash dividends per common share represent CenturyLink's historical cash dividends per common share. The CenturyLink pro forma combined book value per share was calculated by dividing total combined CenturyLink and Level 3 common shareholders' equity by pro forma equivalent common shares. The Level 3 pro forma equivalent per common share amounts were calculated by multiplying the CenturyLink pro forma combined per share information by the exchange ratio of 1.4286.

	CenturyLink		Level 3	
		Pro Forma		Pro Forma
	Historical	Combined	Historical	Equivalent
Basic earnings per common share				
Nine months ended September 30, 2016	\$ 1.08	\$ 0.22	\$ 1.19	\$ 0.31
Year ended December 31, 2015	\$ 1.58	\$ 3.05	\$ 9.71	\$ 4.35
Diluted earnings per common share before extraordinary items and discontinued operations				
Nine months ended September 30, 2016	\$ 1.08	\$ 0.22	\$ 1.18	\$ 0.31
Year ended December 31, 2015	\$ 1.58	\$ 3.03	\$ 9.58	\$ 4.32
Cash dividends declared per common share				
Nine months ended September 30, 2016	\$ 1.62	\$ 1.62		\$ 2.31
Year ended December 31, 2015	\$ 2.16	\$ 2.16		\$ 3.09
Book value per common share				
As of September 30, 2016	\$ 25.41	\$ 24.90	\$ 29.81	\$ 35.57

Table of Contents**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain certain forecasts and other forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, operating efficiencies or synergies, revenue enhancements, competitive positions, growth opportunities, plans and objectives of the management of each of CenturyLink, Level 3 and, following the combination, the combined company, the combination and the markets for CenturyLink and Level 3 common stock and various other matters. Statements in this joint proxy statement/prospectus and the documents incorporated by reference herein that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act, and Section 27A of the Securities Act. These forward-looking statements, including, without limitation, those regarding the expected timing and benefits of the proposed transaction, such as efficiencies, cost savings, enhanced revenues, growth potential, market profile and financial strength, and the competitive ability and position of the combined company, and other statements identified by words such as will, estimates, anticipates, believes, expects, projects, plans, intends, may, should, could, seeks and are subject to a number of risks, uncertainties and assumptions, many of which are beyond our control. These forward-looking statements are based upon the judgment and assumptions of CenturyLink and Level 3 or, following the combination, the combined company as of the date of such statements concerning future developments and events, many of which are beyond their control. These forward-looking statements, and the assumptions upon which they are based, (i) are not guarantees of future results, (ii) are inherently speculative and (iii) are subject to a number of risks and uncertainties. Actual events and results may differ materially from those anticipated, estimated, projected or implied in those statements if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect.

Forward-looking statements are found at various places throughout this joint proxy statement/prospectus, including in the sections entitled *The Combination and the Stock Issuance Certain Forecasts Prepared by CenturyLink* and *The Combination and the Stock Issuance Certain Forecasts Prepared by Level 3* and *Risk Factors*. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include those set forth in CenturyLink's and Level 3's filings with the SEC, including their respective Annual Reports on Form 10-K for the year ended December 31, 2015, as updated by subsequent Quarterly Reports on Form 10-Q. These important factors also include those set forth under *Risk Factors* in this joint proxy statement/prospectus as well as, among others, risks and uncertainties relating to:

the ability of the parties to timely and successfully receive the required approvals for the combination from (i) regulatory agencies free of conditions materially adverse to the parties and (ii) their respective shareholders;

the possibility that the anticipated benefits from the proposed transaction cannot be fully realized or may take longer to realize than expected;

the possibility that costs, difficulties or disruptions related to the integration of Level 3's operations with those of CenturyLink will be greater than expected;

the ability of the combined company to retain and hire key personnel;

the effects of competition from a wide variety of competitive providers, including lower demand for CenturyLink's legacy offerings;

the effects of new, emerging or competing technologies, including those that could make the combined company's products less desirable or obsolete;

the effects of ongoing changes in the regulation of the communications industry, including the outcome of regulatory or judicial proceedings relating to intercarrier compensation, interconnection obligations, access charges, universal service, broadband deployment, data protection and net neutrality;

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adverse changes in CenturyLink's or the combined company's access to credit markets on favorable terms, whether caused by changes in its financial position, lower debt credit ratings, unstable markets or otherwise;

the combined company's ability to effectively adjust to changes in the communications industry, and changes in the composition of its markets and product mix;

possible changes in the demand for, or pricing of, the combined company's products and services, including the combined company's ability to effectively respond to increased demand for high-speed broadband service;

changes in the operating plans, capital allocation plans or corporate strategies of the combined company, whether based on changes in market conditions, changes in the cash flows or financial position of the combined company, or otherwise;

the combined company's ability to successfully maintain the quality and profitability of its existing product and service offerings and to introduce new offerings on a timely and cost-effective basis;

the adverse impact on the combined company's business and network from possible equipment failures, service outages, security breaches or similar events impacting its network;

the combined company's ability to maintain favorable relations with key business partners, suppliers, vendors, landlords and financial institutions;

the ability of the combined company to utilize net operating losses in amounts projected; and

changes in the future cash requirements of the combined company.

Due to these risks and uncertainties, there can be no assurance that the proposed combination or any other transaction described herein will in fact be completed in the manner described or at all. You should be aware that new factors may emerge from time to time and it is not possible for CenturyLink or Level 3 to identify all such factors nor can CenturyLink or Level 3 predict the impact of each such factor on the proposed combination or the combined company. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this document. Unless legally required, CenturyLink and Level 3 undertake no obligation and each expressly disclaim any such obligation, to update publicly any forward-looking statements, whether as a result of new information, future events, changed circumstances or otherwise. Furthermore, any information about the intentions of CenturyLink, Level 3 or, following the combination, the combined company contained in any of their respective forward-looking statements reflect their intentions as of the date of such forward-looking statements, and are based upon, among other things, existing regulatory, technological, industry, competitive, economic and market conditions, and their assumptions as of such date. CenturyLink, Level 3 or, following the combination, the combined company may change their intentions, strategies or plans at any time and without notice, based upon any changes in such factors or assumptions or otherwise.

Prospective Financial Information

The prospective financial information included in this document was not prepared with a view toward public dissemination or compliance with published guidelines of the SEC or the guidelines established by the American Institute of Certified Public Accountants for preparation or presentation of prospective financial information. The prospective financial information included in this document has been prepared by Level 3 and CenturyLink's management, as applicable. KPMG LLP has not examined, compiled or performed any procedures with respect to the accompanying prospective financial information and, accordingly, KPMG LLP does not express an opinion or any other form of assurance with respect thereto. The KPMG LLP reports incorporated by reference in this joint proxy statement/prospectus relate only to Level 3 and CenturyLink's historical financial information, respectively. They do not extend to the prospective financial information and should not be read to do so.

Neither CenturyLink nor Level 3 assumes any responsibility for the accuracy of the accompanying prospective financial information or expresses any assurance with respect thereto.

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RISK FACTORS

*In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled **Cautionary Statement Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for the adoption of the merger agreement, in the case of Level 3 stockholders, or for the issuance of shares of CenturyLink common stock in connection with the combination, in the case of CenturyLink shareholders. In addition, you should read and consider the risks associated with each of the businesses of CenturyLink and Level 3 because these risks will also affect the combined company. These risks can be found in CenturyLink's and Level 3's respective Annual Reports on Form 10-K for fiscal year 2015, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information**.*

Risk Factors Relating to the Combination

The exchange ratio and the amount of the cash consideration are fixed and will not be adjusted in the event of any change in either CenturyLink's or Level 3's stock price.

Upon the closing of the initial merger, each share of Level 3 common stock (excluding shares as to which appraisal rights have been properly exercised pursuant to Delaware law) will be converted into the right to receive \$26.50 in cash and 1.4286 shares of CenturyLink common stock, with cash paid in lieu of fractional shares. The amount of the cash consideration and the exchange ratio were fixed in the merger agreement and will not be adjusted for changes in the market price of either CenturyLink common stock or Level 3 common stock. Changes in the price of CenturyLink common stock prior to the combination will affect the market value of the merger consideration that Level 3 stockholders will receive on the date of the combination. Stock price changes may result from a variety of factors (many of which are beyond our control), including the following factors:

changes in our respective businesses, operations, financial position or prospects;

changes in market assessments of the business, operations, financial position or prospects of either company or the combined company;

market assessments of the likelihood that the combination will be completed, including related considerations regarding regulatory approvals of the combination;

interest rates, general market, political and economic conditions and other factors generally affecting the price of CenturyLink's and Level 3's common stock; and

federal, state and local legislation, governmental regulation and legal developments affecting the businesses of Level 3 or CenturyLink.

The price of CenturyLink common stock at the closing of the combination may vary from its price on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of the special meetings of CenturyLink and Level 3. As a result, the market value of the portion of the merger consideration consisting of CenturyLink common stock will also vary. Under the merger agreement, there will be no adjustment to the per share merger consideration for changes in the market price of either shares of CenturyLink common stock or shares of Level 3 common stock, and neither company is permitted to terminate the merger agreement or resolicit the vote of CenturyLink shareholders or Level 3 stockholders solely because of changes in the market prices of either company's stock. You should obtain current market quotations for shares of CenturyLink common stock and for shares of Level 3 common stock.

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Because the combination will be completed after the date of the special meetings, at the time of your special meeting, you will not know the exact market value of the CenturyLink common stock that Level 3 stockholders will receive upon completion of the combination. You should consider the following two risks:

If the price of CenturyLink common stock increases between the date the merger agreement was signed or the date of the CenturyLink special meeting and the effective time of the combination, Level 3 stockholders will receive shares of CenturyLink common stock that have a market value upon completion of the combination that is greater than the market value of such shares calculated pursuant to the exchange ratio when the merger agreement was signed or the date of the CenturyLink special meeting, respectively. Therefore, while the number of CenturyLink common shares to be issued per Level 3 common share is fixed, CenturyLink shareholders cannot be sure that the market value of the consideration that will be paid to Level 3 stockholders upon completion of the combination will not increase.

If the price of CenturyLink common stock declines between the date the merger agreement was signed or the date of the Level 3 special meeting and the effective time of the combination, Level 3 stockholders will receive shares of CenturyLink common stock that have a market value upon completion of the combination that is less than the market value of such shares calculated pursuant to the exchange ratio on the date the merger agreement was signed or the date of the Level 3 special meeting, respectively. Therefore, while the number of CenturyLink shares to be issued per Level 3 common share is fixed, Level 3 stockholders cannot be sure that the market value of the CenturyLink common stock they will receive upon completion of the combination.

The completion of the combination is subject to several conditions, including the receipt of consents and approvals from government entities, which may impose conditions that could have an adverse effect on the combined company or could cause the proposed combination to be abandoned.

The completion of the combination is subject to a number of conditions, including, among others, the expiration or termination of the applicable waiting period under the HSR Act and the receipt of approvals from the FCC and certain other governmental entities. In deciding whether to grant some of these approvals, the relevant governmental entity will make a determination of whether, among other things, the combination is in the public interest. Neither CenturyLink nor Level 3 can provide any assurance that they will obtain the necessary approvals.

In addition, regulatory entities may impose certain requirements or obligations as conditions for their approval or in connection with their review. The merger agreement may require CenturyLink or Level 3 to accept conditions from these regulators that could adversely affect the combined company without either of CenturyLink or Level 3 having the right to refuse to close the combination on the basis of those regulatory conditions. While CenturyLink is not required to accept conditions that would or would reasonably be likely to have a material adverse effect on the combined company (assuming for these purposes that the combined company is the size of CenturyLink), this assessment will be made at or prior to the closing and neither CenturyLink nor Level 3 can provide any assurance that any required conditions will not have a material adverse effect on the combined company following the proposed combination. In addition, neither CenturyLink nor Level 3 can provide any assurance that these conditions will not result in the abandonment of the combination. See *The Combination and the Stock Issuance Regulatory Approvals* and *The Merger Agreement Conditions to Completion of the Combination*.

It could take longer to receive the requisite governmental consents and approvals than currently anticipated. Any delay in completing the combination, whether caused by regulatory delays or otherwise, could cause the combined company

to incur extra transaction expenses or to delay or to fail to realize fully the benefits that CenturyLink and Level 3 currently expect to receive if the combination is successfully completed within the expected time frame.

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Failure to complete the combination could negatively affect the stock prices and the future business and financial results of CenturyLink and Level 3.

If the combination is not completed, the ongoing businesses of Level 3 or CenturyLink may be adversely affected and CenturyLink and Level 3 will be subject to several risks, including the following:

the possibility that Level 3 could be required to pay CenturyLink a termination fee of \$737.5 million and, in some cases, expenses of CenturyLink up to \$75 million (which would be credited against any termination fee) if the combination is terminated under qualifying circumstances, as described under *The Merger Agreement Termination Fees and Expenses; Liability for Breach* ;

the possibility that CenturyLink could be required to pay Level 3 a termination fee of \$471.5 million and, in some cases, expenses of Level 3 up to \$20 million (which would be credited against any termination fee) if the combination is terminated under qualifying circumstances, as described under *The Merger Agreement Termination Fees and Expenses; Liability for Breach* ;

the incurrence of costs and expenses relating to the proposed combination, such as financing, legal, accounting, financial advisor, filing, printing and mailing fees and expenses, including the potential expense reimbursement obligations described above.

the possibility of a change in the trading price of CenturyLink common stock or Level 3 common stock to the extent current trading prices reflect a market assumption that the combination will be completed;

the possibility that CenturyLink or Level 3 could suffer potential negative reactions from their respective employees, customers and vendors; and

the possibility that CenturyLink or Level 3 could suffer adverse consequences associated with their respective management's focus on the combination instead of on pursuing other opportunities that could have been beneficial to the companies, in each case, without realizing any of the benefits contemplated by the combination.

In addition, if the combination is not completed, CenturyLink or Level 3 could be subject to litigation related to any failure to complete the combination or to perform their respective obligations under the merger agreement.

If the combination is not completed, CenturyLink and Level 3 cannot assure their shareholders that these risks will not materialize and will not materially affect the business, financial results and stock prices of CenturyLink or Level 3.

The merger agreement contains provisions that could discourage a potential competing acquirer of either Level 3 or CenturyLink or could result in any competing proposal being at a lower price than it might otherwise be.

The merger agreement contains no-shop provisions that, subject to limited exceptions, restrict Level 3's and CenturyLink's ability to solicit, encourage, facilitate or discuss competing third-party proposals to acquire all or a

significant part of Level 3 or CenturyLink. In addition, the other party generally has an opportunity to offer to modify the terms of the proposed combination in response to any competing acquisition proposals that may be made before such board of directors may withdraw or qualify its recommendation regarding the proposals described herein. In some circumstances on termination of the merger agreement, one of the parties may be required to pay a termination fee or expenses to the other party. See *The Merger Agreement No Solicitation of Alternative Proposals*, *The Merger Agreement Termination of the Merger Agreement* and *The Merger Agreement Termination Fees and Expenses; Liability for Breach*.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of Level 3 or CenturyLink from considering or proposing that acquisition, even if it were

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prepared to pay consideration with a higher value than that market value proposed to be received or realized in the combination, or might result in a potential competing acquirer proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee or expenses that may become payable in certain circumstances.

If the merger agreement is terminated and either CenturyLink or Level 3 attempts to seek another business combination, CenturyLink or Level 3, as applicable, may not be able to negotiate a transaction with another party on terms comparable or better than the terms of the combination.

The pendency of the combination could adversely affect the business and operations of CenturyLink and Level 3.

In connection with the pending combination, some customers or vendors of each of CenturyLink and Level 3 may delay or defer decisions or reduce their level of business with either or both of the companies, any of which could negatively affect the revenues, earnings, cash flows and expenses of CenturyLink and Level 3, regardless of whether the combination is completed. Similarly, current and prospective employees of CenturyLink and Level 3 may experience uncertainty about their future roles with the combined company following the combination, which may materially adversely affect the ability of each of CenturyLink and Level 3 to attract and retain key management, sales, marketing, operational and technical personnel during the pendency of the combination. In addition, due to operating covenants in the merger agreement, each of CenturyLink and Level 3 may be unable, during the pendency of the combination, to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions and otherwise pursue other actions that are not in the ordinary course of business, even if such actions would prove beneficial. Any of these effects could have an adverse effect on the ability to generate revenue at anticipated levels prior to the completion of the combination. Moreover, the pursuit of the combination and the preparation for the integration of the companies may place a significant burden on the management and personnel of both companies. The diversion of management's attention away from operating the companies in the ordinary course could adversely affect CenturyLink's and Level 3's financial results.

Current CenturyLink shareholders and Level 3 stockholders may have a reduced ownership and voting interest in the combined company after the combination.

CenturyLink expects to issue or reserve for issuance approximately [] shares of CenturyLink common stock to Level 3 stockholders in connection with the combination (including shares of CenturyLink common stock to be issued in connection with outstanding Level 3 equity awards). Based on the number of shares of common stock of CenturyLink and Level 3 outstanding on [], 2017, the record date for the two companies' special meetings of shareholders, upon the completion of the initial merger, current CenturyLink shareholders and former Level 3 stockholders are expected to own approximately [51]% and [49]% of the common stock of CenturyLink, respectively.

CenturyLink shareholders and Level 3 stockholders currently have the right to vote for their respective directors and on other matters affecting their company. If and when the initial merger occurs, each Level 3 stockholder who receives shares of CenturyLink common stock will become a shareholder of CenturyLink with a percentage ownership of the combined company that may be smaller than the shareholder's percentage ownership of Level 3, depending upon such stockholder's current ownership of CenturyLink shares. Correspondingly, each CenturyLink shareholder will remain a shareholder of CenturyLink with a percentage ownership of the combined company that may be smaller than the shareholder's percentage of CenturyLink prior to the initial merger, depending upon such shareholder's current ownership of Level 3 shares. As a result of these potentially reduced ownership percentages, CenturyLink shareholders may have less voting power in the combined company than they now have with respect to CenturyLink, and former Level 3 shareholders may have less voting power in the combined company than they now have with respect to Level 3.

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Directors and executive officers of CenturyLink and Level 3 have financial interests in the combination that may be different from, or in addition to, those of other CenturyLink shareholders and Level 3 stockholders, which could have influenced their decisions to support or approve the combination.

In considering whether to approve the proposals at the special meetings, CenturyLink and Level 3 shareholders should recognize that directors and executive officers of CenturyLink and Level 3 have interests in the combination that may differ from, or that are in addition to, their interests as shareholders of CenturyLink and stockholders of Level 3. The CenturyLink Board and the Level 3 Board were aware of these interests at the time each approved the merger agreement. These interests may cause CenturyLink's and Level 3's directors and executive officers to view the combination differently than you may view it as a shareholder. See *The Combination and the Stock Issuance Financial Interests of CenturyLink Directors and Executive Officers in the Combination* and *The Combination and the Stock Issuance Financial Interests of Level 3 Directors and Executive Officers in the Combination*.

Financing of the combination is not assured.

Although CenturyLink has received commitments from lenders to fund various facilities financing the combination, the definitive documentation governing the facilities has not been finalized. The obligation of the lenders to provide the debt financing contemplated under their debt commitment letter is subject to a number of conditions, and it is anticipated that the definitive debt financing documentation will also include certain funding conditions. Accordingly, financing of the combination is not assured. CenturyLink's obligation to complete the combination is not conditioned upon obtaining financing. Failure to obtain financing pursuant to the financing commitments could require CenturyLink to seek to obtain alternative financing that may be on more adverse terms than the financing commitments. See *The Combination and the Stock Issuance Financing Related to the Combination*.

The opinions obtained by the boards of CenturyLink and Level 3 from their respective financial advisors do not and will not reflect changes in circumstances after the date of such opinions.

The CenturyLink Board received written opinions dated October 30, 2016 from its financial advisors that the merger consideration to be paid by CenturyLink was fair, from a financial point of view, to CenturyLink, and, in addition, the Level 3 Board received written opinions from its financial advisors that the merger consideration to be paid to Level 3's stockholders was fair, from a financial point of view, to such stockholders, in each case as of such date, and based on and subject to the qualifications, limitations and assumptions set forth in the respective opinions. Changes in the operations or prospects of CenturyLink or Level 3, general market and economic conditions and other factors that may be beyond the control of CenturyLink and Level 3, and on which the above-described opinions were based, may alter the value of CenturyLink or Level 3 or the prices of shares of CenturyLink common stock or Level 3 common stock by the time the combination is completed. CenturyLink and Level 3 have not obtained, and do not expect to request, updated opinions from their respective financial advisors. None of the above-listed opinions speak to any date other than the date of such opinion. For a more complete description of the above-described opinions, please refer to *The Combination and the Stock Issuance Opinions of CenturyLink's Financial Advisors* and *The Combination and the Stock Issuance Opinions of Level 3's Financial Advisors*.

Risk Factors Relating to CenturyLink Following the Combination

Operational Risks

CenturyLink expects to incur substantial expenses related to the combination.

CenturyLink expects to incur substantial expenses in connection with completing the combination and integrating the business, operations, networks, systems, technologies, policies and procedures of Level 3 with those of CenturyLink. There are a large number of systems that will likely be integrated, including management information, purchasing, accounting and finance, sales, payroll and benefits, fixed asset, lease administration and regulatory compliance. While CenturyLink has assumed that a certain level of transaction and integration expenses would be incurred, there are a number of factors beyond its control that could affect the total amount or

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the timing of its integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. Due to these factors, the transaction and integration expenses associated with the combination are likely in the near term to exceed the savings that CenturyLink expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses following the completion of the combination. As a result of these expenses, CenturyLink expects to take charges against its earnings before and after the completion of the combination. The charges taken after the combination are expected to be significant, although the aggregate amount and timing of such charges are uncertain at present.

Following the combination, the combined company may be unable to integrate successfully the businesses of CenturyLink and Level 3 and realize the anticipated benefits of the combination.

The proposed transaction involves the combination of two companies which currently operate as independent public companies. The combined company will be required to devote significant management attention and resources to integrating the business practices and operations of CenturyLink and Level 3. Potential difficulties the combined company may encounter in the integration process include the following:

the inability to successfully combine the businesses of CenturyLink and Level 3 in a manner that permits the combined company to achieve the cost savings anticipated to result from the combination, which would result in the anticipated benefits of the combination not being realized in the time frame currently anticipated or at all;

lost sales and customers as a result of certain customers of either of the two companies deciding to terminate or reduce its business with the combined company;

the complexities associated with managing the combined businesses out of several different locations and integrating personnel from the two companies, while at the same time attempting to (i) provide consistent, high quality products and services under a unified culture and (ii) focus on other on-going transactions, including CenturyLink's previously-announced divestiture of its data centers and colocation business;

the additional complexities of combining two companies with different histories, regulatory restrictions, operating structures and markets;

the failure to retain key employees of either of the two companies;

potential unknown liabilities and unforeseen increased expenses, delays or regulatory conditions associated with the combination; and

performance shortfalls at one or both of the two companies as a result of the diversion of management's attention caused by completing the combination and integrating the companies' operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of the combined company's management, the disruption of the combined company's ongoing business or inconsistencies in the combined company's products, services, standards, controls, procedures and policies, any of which could adversely affect the ability of the combined company to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits of the combination, or could otherwise adversely affect the business and financial results of the combined company.

Following the combination, the combined company may be unable to retain key employees.

The success of CenturyLink after the combination will depend in part upon its ability to retain key Level 3 and CenturyLink employees. Key employees may depart either before or after the combination because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with the combined company following the combination. Accordingly, no assurance can be given that CenturyLink, Level 3 and, following the combination, the combined company will be able to retain key employees to the same extent as in the past.

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CenturyLink and Level 3 face competition, which is expected to intensify and place further pressure on the business of the combined company.

Each of the product and service offerings of CenturyLink and Level 3 face increasingly intense competition from a variety of sources under evolving market conditions, and these trends are expected to continue.

Following the combination, the combined company will have current and potential competitors that (i) offer a more comprehensive range of communications products and services, (ii) offer products or services with features that CenturyLink and Level 3 cannot readily match in some or all of their markets, including in some cases faster broadband transmission speeds and, where applicable, greater content, (iii) have greater market presence, engineering and technical capabilities, and financial and other resources, (iv) have larger or more diverse networks with greater transmission capacity, (v) conduct operations or raise capital at a lower cost, (vi) are subject to less regulation, which CenturyLink and Level 3 believe will enable such competitors to operate more flexibly than the combined company with respect to certain offerings, (vii) offer services nationally or internationally to a larger geographic area or larger base of customers, (viii) have substantially stronger brand names, which may provide them with greater competitive advantages, or (ix) have larger operations, which may enable them to offer higher compensation packages in connection with recruiting and retaining top technological, managerial and operational talent. Consequently, these competitors may be better equipped to provide more attractive offerings, to charge lower prices for their products and services, to develop and expand their communications and network infrastructure more quickly, to adapt more swiftly to new or emerging technologies and changes in customer requirements, to devote greater resources to the marketing and sale of their products and services, to provide more comprehensive customer service, to provide greater resources to research and development initiatives and to take advantage of acquisition or other opportunities more readily. In the past, several of our competitors and their operations have grown through acquisitions and aggressive product development. The continued growth of our competitors could further enhance their competitive positions. CenturyLink and Level 3 expect that competition will further intensify in these markets.

While CenturyLink expects to achieve benefits from the combination, the combined company's competitive position could be weakened in the future by strategic alliances or consolidation within the communications industry or the development of new technologies. CenturyLink's ability to compete successfully will depend on how well the combined company markets its products and services and on its ability to anticipate and respond to various competitive and technological factors affecting the industry, including changes in regulation (which may affect the combined company differently from its competitors), changes in customer preferences or demographics, and changes in the product offerings or pricing strategies of the combined company's competitors.

Competition could adversely affect CenturyLink following the combination in several ways, including (i) the loss of customers and market share, (ii) the possibility of customers reducing their usage of the combined company's services or shifting to less profitable services, (iii) reduced traffic on the combined company's networks, (iv) the combined company's need to expend substantial time or money on new capital improvement projects, (v) the combined company's need to lower prices or increase marketing expenses to remain competitive, and (vi) the combined company's inability to diversify by successfully offering new products or services.

CenturyLink is continually taking steps to respond to these competitive pressures, but these efforts may not be successful. The combined company's operating results and financial condition would be adversely affected if these initiatives are unsuccessful or insufficient and if CenturyLink is otherwise unable to sufficiently stem its continuing legacy revenue declines with offsetting growth from other operations. If this occurred, CenturyLink's ability to pay its debt and other obligations, to re-invest in the business and to return capital to shareholders would also be adversely affected.

CenturyLink could be harmed by rapid changes in technology.

The communications industry has been and continues to be affected by significant technological changes, which in general are enabling a broader array of companies to offer services competitive with ours. Many of

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those technological changes are (i) displacing or reducing demand for CenturyLink's copper-based services, (ii) enabling the development of competitive products or services, including those that depend on fiber optic cable, or (iii) enabling CenturyLink's current customers to reduce or bypass use of its networks. Rapid changes in technology are increasing the competitiveness of the cloud, hosting and other IT services industries. In addition, demand for CenturyLink's broadband services has been constrained by certain technologies permitting cable companies and other competitors to deliver faster average broadband transmission speeds than CenturyLink's. Demand for CenturyLink's broadband services could be further reduced by advanced wireless data transmission technologies being deployed by wireless providers, including long-term evolution or LTE technologies, especially if these wireless providers continue to increase their broadband transmission speed and decrease their service rates. To enhance the competitiveness of CenturyLink's broadband services, CenturyLink may be required to expend additional capital to augment the capabilities of its copper-based services or to install more fiber optic cable.

CenturyLink may not be able to accurately predict or respond to changes in technology or industry standards, or to the introduction of newly offered services. Any of these developments could make some or all of CenturyLink's offerings less desirable or even obsolete. These developments could also require CenturyLink to (i) expend capital or other resources in excess of currently contemplated levels, (ii) forego the development or provision of products or services that others can provide more efficiently, or (iii) make other changes to operating plans, corporate strategies or capital allocation plans, any of which could adversely affect its operations. If CenturyLink is not able to develop new products and services to keep pace with technological advances, or if those products and services are not widely accepted by customers, CenturyLink's ability to compete could be adversely affected and its market share could decline. Any inability to effectively respond to technological changes could also adversely affect CenturyLink's operating results and financial condition, as well as its ability to service debt and fund other commitments or initiatives.

Even if CenturyLink succeeds in adapting to changes in technology or industry standards by developing new products or services, there is no assurance that the new products or services would have a positive effect on profit margins or financial performance.

In addition to introducing new technologies and offerings, CenturyLink may need, from time to time, to phase out outdated and unprofitable technologies and services. If CenturyLink is unable to do so, on a cost-effective basis, CenturyLink could experience reduced profits.

CenturyLink may not be able to successfully adjust to changes in its industry, markets and product mix.

Ongoing changes in the communications industry have fundamentally changed customers' communications expectations and requirements. In response to these changes, CenturyLink has substantially altered its product and service offerings through internal product development and acquisitions, including the combination. Many of these changes in the past have placed a higher premium on sales, marketing and product development functions, and necessitated ongoing changes in CenturyLink's processes and operating protocols, as well as periodic reorganizations of CenturyLink's sales and leadership teams. CenturyLink expects that the combination will have similar effects on the combined company. In addition, CenturyLink now offers a more complex range of products and services, operates larger and more complex networks and serves a much larger and more diverse set of customers. Consequently, CenturyLink now faces greater challenges in effectively managing and administering its operations and allocating capital and other resources to its various offerings. For all these reasons, CenturyLink cannot assure you that its efforts to adjust to these changes will be timely or successful.

Following the combination, CenturyLink may need to conduct branding or rebranding initiatives that are likely to involve substantial costs and may not be favorably received by customers.

CenturyLink plans to consult with Level 3 about how and under what brand names to market the various legacy communications services of CenturyLink and Level 3. Prior to the combination, CenturyLink and Level 3

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will each continue to market their respective products and services using the CenturyLink and Level 3 brand names and logos. Following the combination, CenturyLink may discontinue use of either or both of the CenturyLink or Level 3 brand names and logos in some or all of the markets of the combined company and will incur substantial capital and other costs in rebranding the combined company's products and services in those markets that previously used a different name and may result in substantial write-offs associated with the discontinued use of a brand name. The failure of any of these initiatives could adversely affect CenturyLink's ability to attract and retain customers after the combination, resulting in reduced revenues.

Following the combination, CenturyLink's relationships with other communications companies will continue to be material to its operations and will expose it to a number of risks.

To offer voice or data services in certain of their markets, both CenturyLink and Level 3 must either lease network capacity from, or interconnect their networks with the infrastructure of, other communications companies who typically compete against them in those markets. CenturyLink's and Level 3's reliance on these lease or interconnection arrangements limits their control over the quality of their services and exposes them to the risk that their ability to market their services could be adversely affected by changes in the plans or properties of the carriers upon which they are reliant. In addition, both companies are exposed to the risk that the other carriers may be unwilling to continue or renew these arrangements in the future on terms favorable to them, or at all. This risk is heightened when the other carrier is a competitor and may benefit from terminating the agreement. If either company loses these arrangements and cannot timely replace them, their ability to provide services to their customers and conduct their business could be materially adversely affected.

In addition, certain of CenturyLink's operations will continue to carry a significant amount of voice and data traffic for larger communications companies. If these larger communications companies consolidate or expand their networks, it is possible that they could transfer a significant portion of this traffic from the combined company's fiber network to their networks, which could have a negative effect on CenturyLink's business and results of operations.

Following completion of the combination, the combined company will continue to rely on certain interconnection, wholesale, reseller or sales agency arrangements with other companies to provide some of the services that it will sell to its customers. These arrangements will limit the combined company's ability to control several features of its service offerings to its customers, including the pricing, provisioning timeframes, quality, reliability and customer support associated therewith. In addition, if the combined company fails to extend or renegotiate these arrangements as they expire from time to time or if these other companies fail to fulfill their contractual obligations, the combined company may have difficulty finding alternative arrangements.

Network disruptions or system failures could adversely affect CenturyLink's operating results and financial condition.

To be successful following the combination, CenturyLink will need to continue providing the combined company's customers with high capacity, reliable and secure networks. Disruptions or system failures may cause interruptions in service or reduced capacity for customers. If service is not restored in a timely manner, agreements with the combined company's customers or service standards set by state regulatory commissions could obligate it to provide credits or other remedies. If network security is breached, confidential information of the combined company's customers or others could be lost or misappropriated, and CenturyLink may be required to expend additional resources modifying network security to remediate vulnerabilities. Similar to other large communications companies, both CenturyLink and Level 3 are constant targets of cyber-attacks of varying degrees, and CenturyLink expects that the combined company will continue to be the target of similar attacks following the combination. The occurrence of any disruption or system failure may result in a loss of business, increase expenses, damage CenturyLink's reputation, subject

CenturyLink to additional regulatory scrutiny or expose it to civil litigation and possible financial losses that may not be fully covered through insurance, any of which could have a material adverse effect on CenturyLink's results of operations and financial condition.

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Following the combination, the combined company's international operations and investments expose it to risks that could materially adversely affect the combined business.

Level 3 and, to a lesser extent, CenturyLink, have operations and investments outside of the United States that will expose the combined company following the combination to risks inherent in international operations. These include:

general economic, social and political conditions;

the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;

tax rates in some countries may exceed those in the United States;

United States and other country tax laws may limit the combined company's ability to repatriate cash from non-U.S. affiliates without adverse tax consequences;

foreign currency exchange rates may fluctuate, which could adversely affect the combined company's results of operations and the value of its international assets and investments;

non-U.S. earnings may be subject to withholding requirements or the imposition of tariffs, exchange controls or other restrictions;

difficulties and costs of compliance with non-U.S. laws and regulations that impose restrictions on overseas investments and operations, with penalties for noncompliance, including loss of licenses and monetary fines;

difficulties in obtaining licenses or interconnection arrangements on acceptable terms, if at all; and

changes in laws and regulations relating to non-U.S. trade and investment.

Level 3 is exposed to significant currency exchange rate risks and currency transfer restrictions and the combined company's results may suffer due to currency translations and remeasurements.

Certain of Level 3's current and prospective customers derive their revenue in currencies other than U.S. dollars, but Level 3 currently invoices these current and prospective customers, and the combined company is expected to continue to invoice these current and prospective customers, in U.S. dollars. The obligations of customers with substantial revenue in foreign currencies may be subject to unpredictable and indeterminate increases in the event that such currencies depreciate in value relative to the U.S. dollar. Furthermore, these customers may become subject to exchange control regulations restricting the conversion of their revenue currencies into U.S. dollars. In either event, the affected customers may not be able to pay the combined company in U.S. dollars. Similarly, declines in the value of foreign currencies (such as the devaluation of the Brazilian real and the Argentine peso discussed below) relative to

the U.S. dollar could adversely affect the combined company's ability to market the services of the combined company to customers whose revenue is denominated in those currencies. In addition, where the combined company expects to issue invoices for its services in currencies other than U.S. dollars, the results of operations of the combined company may suffer due to currency translations in the event that such currencies depreciate relative to the U.S. dollar and the combined company cannot or does not elect to enter into currency hedging arrangements in respect of those payment obligations.

Level 3 conducts a significant portion of its business using the British pound, the euro and the Brazilian real. Appreciation of the U.S. dollar adversely affects Level 3's consolidated revenue and, following the completion of the combination, is expected to adversely affect the consolidated revenue of the combined company. Since Level 3 tends to, and the combined company expects to, incur costs in the same currency in which those operations realize revenue, the effect on operating income and operating cash flow is largely mitigated. However, if the U.S. dollar appreciates significantly, future revenue, operating income and operating cash flows could be materially affected. In addition, the appreciation of the U.S. dollar relative to foreign currencies reduces the U.S. dollar value of cash balances held in those currencies. Certain Latin American economies have experienced shortages in

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foreign currency reserves and have adopted restrictions on the use of certain mechanisms to expatriate local earnings and convert local currencies into U.S. dollars. Any of these shortages or restrictions may limit or impede the ability of the combined company to transfer or to convert those currencies into U.S. dollars and to expatriate those funds. In addition, currency devaluations in one country may have adverse effects in another country.

Economic and political conditions in Latin America pose numerous risks to the combined company's operations following the combination.

Level 3's business operations in the Latin American region constitute a significant portion of its business. As events in the Latin American region have demonstrated, negative economic or political developments in one country in the region can lead to or exacerbate economic or political instability elsewhere in the region. Furthermore, events in recent years in other developing markets have placed pressures on the stability of the currencies of a number of countries in Latin America in which Level 3 operates, including Argentina, Brazil and Colombia. While certain areas in the Latin American region have experienced economic growth, this recovery remains fragile. Pressures on local currencies are likely to have an adverse effect on Level 3's and, following the completion of the combination, the combined company's, customers in this region.

Several Latin American countries have historically experienced high rates of inflation. Governmental actions taken in an effort to curb inflation, coupled with speculation about possible future actions, have contributed to economic uncertainty at times in most Latin American countries. These countries may experience high levels of inflation in the future that could lead to further government intervention in the economy, including the introduction of government policies that could adversely affect the combined company's results of operations in those locations. A high inflation environment would likely have negative effects on the combined company's ability to appropriately set price and wage levels and on the level of economic activity in the region.

In addition, any changes to the political and economic conditions in certain Latin American countries could materially and adversely affect the combined company's business.

Market prices for many of the services of CenturyLink and Level 3 have decreased in the past, and any similar price decreases following the combination will adversely affect the combined company's revenues and margins.

Over the past several years, a range of competitive and technological factors, including robust network construction and intense competition, have lowered market prices for many of the products and services offered by CenturyLink and Level 3. If these market conditions persist, the combined company may need to continue to reduce prices to retain customers and revenue. If price reductions are necessary after the combination, the combined company will suffer unless it is able to either reduce its operating expenses or increase sales volumes or network usage.

The future growth potential of the combined company will depend in part on the continued development and expansion of the Internet.

The combined company's future growth potential will depend in part upon the continued development and expansion of the Internet as a communication medium and marketplace for the distribution of data, video and other products by businesses, consumers and governments. The use of the Internet for these purposes may not grow and expand at the rate anticipated by the combined company or others, or may be restricted by factors outside of the control of the combined company, including (i) actions by other carriers or governmental authorities that restrict the combined company from delivering traffic over other parties' networks, (ii) changes in regulation, (iii) technological stagnation or (iv) changes in consumers' preferences or data usage.

Level 3 has only recently generated net income, and has generated substantial net losses in the past.

As indicated in Level 3's consolidated financial statements included in SEC reports that are incorporated by reference herein, Level 3 has only generated net income for its two most recently completed full fiscal years, and

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generated substantial losses prior to then. See *Where You Can Find More Information* and *Summary Selected Historical Financial Data of Level 3*.

Regulatory and Legal Risks

CenturyLink's and Level 3's revenues could be materially reduced or their expenses materially increased by the failure to comply with existing laws or regulations or by changes in laws or regulations.

CenturyLink and Level 3 currently are, and the combined company following the combination will be, subject to significant regulation by, among others, (i) the FCC, which regulates interstate and international communications, (ii) state utility commissions, which regulate intrastate communications, and (iii) various foreign governments and international bodies, which regulate both companies' international operations. Generally, both companies must obtain and maintain certificates of authority or licenses from these bodies in most territories where they offer regulated services. Neither company can assure you that they will be successful in obtaining or retaining all licenses necessary to carry out their business plans, and, even if they are, the prescribed service standards and conditions imposed on them in connection with obtaining or acquiring control of these licenses may impose on them substantial costs and limitations. Both companies are also subject to numerous requirements and interpretations under various international, federal, state and local laws, rules and regulations, which are quite detailed and occasionally in conflict with each other. Accordingly, neither company can ensure that it is always considered to be in compliance with all these requirements at any single point in time. The agencies responsible for the enforcement of these laws, rules and regulations may initiate inquiries or actions based on complaints filed by third parties or on their own initiative. Even if both companies are ultimately found to have complied with applicable regulations, such actions or inquiries could create adverse publicity that negatively affects their business.

Regulation of the telecommunications industry continues to change, and the regulatory environment varies substantially from jurisdiction to jurisdiction. A substantial portion of CenturyLink's voice services revenue remains subject to FCC or state utility commission pricing regulation, which periodically exposes it to pricing or earnings disputes and could expose them to unanticipated price declines. Other carriers frequently dispute their obligation to make payments to CenturyLink or Level 3, and these disputes are expected to continue to affect the combined company following the combination. There can be no assurance that future regulatory, judicial or legislative activities will not have a material adverse effect on the operations of the combined company, or that regulators or third parties will not raise material issues with regard to its compliance or noncompliance with applicable regulations.

Regulations continue to create significant compliance costs for CenturyLink and Level 3. Following the combination, challenges to CenturyLink's tariffs by regulators or third parties or delays in obtaining certifications and regulatory approvals could cause it to incur substantial legal and administrative expenses, and, if successful, such challenges could adversely affect the rates, terms and conditions of CenturyLink's service offerings. CenturyLink's and Level 3's businesses also may be affected by legislation and regulation imposing new or greater obligations related to assisting law enforcement, bolstering homeland security, increasing disaster recovery requirements, minimizing environmental effects, enhancing privacy or addressing other issues that affect CenturyLink's or Level 3's businesses. CenturyLink expects its compliance costs to increase if future laws or regulations continue to increase its obligations to assist other governmental agencies.

Regulations also help to ensure that CenturyLink and Level 3 obtain access on reasonable rates, terms, and conditions to important inputs to their service offerings, including interconnection with other service providers' networks, access to poles, ducts, and conduits owned by utilities and incumbent carriers, and access to local transmission facilities needed to reach certain customer locations. Changes to or new interpretations of the regulations governing the rates, terms, and conditions on which CenturyLink and Level 3 obtain access to inputs such as these could increase the

combined company's cost of providing certain services and have a material adverse effect on the combined company's operations.

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Changes in tax laws, regulations or policies, including those currently under consideration by the U.S. federal government, could have a material effect on our consolidated financial position, results of operations, or cash flows.

The combined company may be liable for the material that content providers distribute over its network.

Although CenturyLink and Level 3 believe that their liability for third party information stored on or transmitted through their networks is limited, the liability of private network operators is affected both by changing technology and evolving legal principles that remain unsettled in many jurisdictions. As private network providers, CenturyLink and Level 3 could be exposed to legal claims relating to third party content stored or transmitted on their networks. Such claims could involve, among others, allegations of defamation, invasion of privacy, copyright infringement, or aiding and abetting restricted activities such as online gambling or pornography. If the combined company decides to implement additional measures to reduce its exposure to these risks, or if the combined company is required to defend itself against these kinds of claims, its operations and financial results could be negatively affected.

Counterparties to certain significant agreements with Level 3 may exercise contractual rights to terminate such agreements following the combination.

Level 3 is a party to certain agreements that give the counterparty a right under certain conditions to terminate the agreement following a change in control of Level 3. Under most such agreements, the combination will constitute a change in control and therefore the counterparty may terminate the agreement upon the closing of the combination, subject to the terms and conditions specified in such agreements. Level 3 has agreements subject to such termination provisions with significant customers, major suppliers and providers of services where Level 3 has acted as reseller or sales agent. In addition, certain Level 3 customer contracts, including those with state or federal government agencies, allow the customer to terminate the contract at any time for convenience, which would allow the customer to terminate its contract before, at or after the closing of the combination. Any such counterparty may request modifications of their respective agreements as a condition to foregoing exercise of their termination rights. There is no assurance that such agreements will not be terminated, that any such terminations will not result in a material adverse effect, or that any modifications of such agreements to avoid termination will not result in a material adverse effect.

CenturyLink may be unable to obtain security clearances necessary to perform certain Level 3 government contracts.

Certain Level 3 legal entities and officers have security clearances required for Level 3's performance of customer contracts with various government entities. Following the combination, it may be necessary for CenturyLink to obtain comparable security clearances. If CenturyLink or its officers are unable to qualify for such security clearances, CenturyLink may not be able to continue to perform such contracts.

The combined company will be subject to various legal proceedings and other contingencies that could materially adversely impact its financial condition and operating results.

Following the completion of the combination, the combined company is expected to be subject to (i) several material proceedings pending against it, including various right-of-way, tax, regulatory, patent and other proceedings, (ii) potential environmental liabilities with respect to various legacy operations or properties and (iii) certain other contingent liabilities. These proceedings and other contingent liabilities are described in the SEC reports of CenturyLink and Level 3 that are incorporated by reference herein. See *Where You Can Find More Information*.

Table of Contents***Other Risks******In connection with the combination CenturyLink will incur and assume a substantial amount of indebtedness and may need to incur more in the future.***

As a result of incurring the debt financing for the combination and assuming Level 3's existing consolidated indebtedness in connection with the combination, CenturyLink will become more leveraged. This could have material adverse consequences for CenturyLink, including (i) reducing CenturyLink's credit ratings and thereby raising its borrowing costs, (ii) hindering CenturyLink's ability to plan for or react to changing market, industry, competitive or economic conditions, (iii) limiting CenturyLink's ability to access the capital markets to refinance maturing debt or to fund acquisitions, capital expenditures or other general expenditures, (iv) limiting the amount of free cash flow available for future operations, acquisitions, strategic initiatives, capital expenditures, dividends, stock repurchases, debt payments or other uses, (v) making CenturyLink more vulnerable to economic or industry downturns, including interest rate increases, (vi) placing CenturyLink at a competitive disadvantage compared to less leveraged competitors (vii) increasing the risk that third parties will be unwilling or unable to engage in hedging or other financial or commercial arrangements with CenturyLink, (viii) increasing the risk that CenturyLink will need to sell securities or assets, possibly on unfavorable terms, or take other unfavorable actions to meet payment obligations, or (ix) increasing the risk that CenturyLink may not meet the financial covenants in its debt agreements or timely make all required debt payments.

CenturyLink has a significant amount of consolidated indebtedness that it intends to refinance over the next several years, and may also need to obtain additional financing under a variety of other circumstances. CenturyLink's ability to arrange additional financing will depend on, among other factors, its financial position, performance, and credit ratings, as well as prevailing market conditions and other factors beyond its control. Global financial markets continue to be volatile. Prevailing market conditions could be adversely affected by (i) general market conditions, such as disruptions in domestic or overseas sovereign or corporate debt markets, geo-political instabilities, contractions or limited growth in the economy or other similar adverse economic developments in the U.S. or abroad and (ii) specific conditions in the communications industry. Volatility in the global markets could limit CenturyLink's access to the credit markets, leading to higher borrowing costs or, in some cases, the inability to obtain financing on terms that are as favorable as those from which CenturyLink previously benefited. CenturyLink cannot assure you that it will be able to obtain additional financing on terms acceptable to CenturyLink or at all. Any such failure to obtain additional financing could jeopardize CenturyLink's ability to attain its business objectives or strategies, to repay, refinance or reduce its debt obligations or to meet its other commitments.

The agreements that will govern the indebtedness to be incurred or assumed in connection with the combination are expected to contain various covenants and other provisions that impose restrictions on the ability of CenturyLink and certain of its subsidiaries to operate their businesses.

The agreements that will govern the indebtedness to be incurred or assumed by CenturyLink in connection with the combination are expected to contain pledges of collateral, affiliate guarantees and various affirmative and negative covenants that may, subject to certain significant exceptions, restrict the ability of CenturyLink and certain of its subsidiaries to, among other things, have liens on their property, incur additional indebtedness, enter into sale and lease-back transactions, make loans, advances or other investments, make non-ordinary course asset sales, declare or pay dividends or make other distributions with respect to equity interests, merge or consolidate with any other person or sell or convey certain of its assets to any one person, among various other things. In particular, certain covenants contained in Level 3's indebtedness to be assumed by CenturyLink may restrict the combined company's ability to distribute cash from Level 3 to other entities within the combined company, or enter into other transactions among wholly owned subsidiaries of the combined company. In addition, some of the agreements that govern the debt

financing are expected to contain financial covenants that will require CenturyLink to maintain certain financial ratios. The ability of CenturyLink and its subsidiaries to comply with these provisions may be affected by events beyond their control. Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could accelerate CenturyLink's debt repayment

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obligations. Certain of CenturyLink's debt instruments have cross-default or cross-acceleration provisions. When present, these provisions could have a wider impact on liquidity than might otherwise arise from a default or acceleration of a single debt instrument.

Any downgrade in the credit ratings of CenturyLink or its subsidiaries could limit its ability to obtain future financing, increase its borrowing costs or otherwise impair its business, financial condition and results of operations.

Nationally recognized credit rating organizations have issued credit ratings relating to CenturyLink, Inc.'s long-term debt and the long-term debt of several of its subsidiaries. Most of these ratings are below investment grade, which results in higher borrowing costs than investment grade debt, as well as reduced marketability of CenturyLink's debt securities. There can be no assurance that any rating assigned to any of these debt securities will remain in effect for any given period of time or that any such ratings will not be lowered, suspended or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances so warrant.

A downgrade of any of these credit ratings could:

adversely affect the market price of some or all of CenturyLink's outstanding debt or equity securities;

limit CenturyLink's access to the capital markets or otherwise adversely affect the availability of other new financing on favorable terms, if at all;

trigger the application of restrictive covenants in certain of CenturyLink's debt agreements or result in new or more restrictive covenants in agreements governing the terms of any future indebtedness that CenturyLink may incur;

increase CenturyLink's cost of borrowing; and

impair CenturyLink's business, financial condition and results of operations.

CenturyLink cannot assure you whether, when or in what amounts it will be able to use Level 3's net operating loss carryforwards following the combination.

As of December 31, 2015, Level 3 had approximately \$9.7 billion of net operating loss carryforwards, which we refer to as NOLs, which for U.S. federal income tax purposes can be used to offset future taxable income, subject to certain limitations under Section 382 of the Code and related Treasury regulations. CenturyLink's ability to use these NOLs following the combination may be further limited by Section 382 if Level 3 is deemed to undergo an ownership change as a result of the combination or CenturyLink is deemed to undergo an ownership change following the combination, either of which could restrict use of a material portion of the NOLs. Determining the limitations under Section 382 is technical and highly complex. Although the parties, based on their review to date, currently believe that Level 3 will undergo an ownership change as a result of the combination, neither company has definitively completed the analysis necessary to confirm this. Moreover, issuances or sales of CenturyLink stock following the combination (including certain transactions outside of CenturyLink's control) could result in CenturyLink undergoing an ownership

change under Section 382, which may further limit its use of the NOLs. For these and other reasons, we cannot assure you that CenturyLink will be able to use the NOLs after the combination in the amounts it projects.

The business of CenturyLink and Level 3 is capital intensive.

The business of CenturyLink and Level 3 is capital intensive, and both anticipate that the combined company's capital requirements will continue to be substantial in the coming years. If CenturyLink determines that its networks must be expanded to handle the increased demands or to meet regulatory commitments or requirements, CenturyLink may determine that substantial additional capital expenditures are required, even though there is no assurance that the return on its investment will be satisfactory. In addition, many of

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CenturyLink's growth and modernization initiatives are capital intensive and changes in technology could require further spending. In addition to investing in expanded networks, new products or new technologies, CenturyLink must from time to time invest capital to (i) replace some of its aging equipment that supports many of its legacy services that are experiencing revenue declines or (ii) convert older systems to simplify and modernize its network. Increased spending could, among other things, adversely affect CenturyLink's operating margins, cash flows, results of operations and financial position.

Increases in costs for pension and healthcare benefits for CenturyLink's active and retired employees may reduce CenturyLink's profitability and increase its funding commitments.

Following the combination, CenturyLink will maintain one or more healthcare plans, qualified pension plans, non-qualified pension plans and post-retirement benefit plans, some of which are currently underfunded and the costs of which have a significant impact on CenturyLink's profitability. CenturyLink's costs of maintaining its pension and healthcare plans, and the future funding requirements for these plans, are affected by several factors, most of which are outside of its control, including:

decreases in investment returns on funds held by CenturyLink's pension and other benefit plan trusts;

changes in prevailing interest rates and discount rates used to calculate the funding status of CenturyLink's pension and other post-retirement plans;

increases in healthcare costs generally or claims submitted under CenturyLink's healthcare plans specifically;

increasing longevity of CenturyLink's employees and retirees;

the continuing implementation of the Patient Protection and Affordable Care Act, and the related reconciliation act and regulations promulgated thereunder;

increases in the number of retirees who elect to receive lump sum benefit payments;

increases in insurance premiums CenturyLink is required to pay to the Pension Benefit Guaranty Corporation, an independent agency of the U.S. government that must cover its own underfunded status by collecting premiums from an ever shrinking population of pension plans that are qualified under the Code;

changes in plan benefits; and

changes in funding laws or regulations.

Following the combination, increased costs under these plans could reduce the combined company's profitability and increase its funding commitments to its pension plans. Any future material cash contributions could have a negative impact on the combined company's liquidity by reducing its cash flows.

The historical and unaudited pro forma condensed combined financial information included elsewhere in this joint proxy statement/prospectus may not be representative of CenturyLink's results after the combination, and accordingly, you have limited financial information on which to evaluate the combined company.

CenturyLink and Level 3 will continue to operate as separate companies prior to the combination. CenturyLink and Level 3 have no prior history as a combined company. The historical financial statements of Level 3 may be different from those that would have resulted had Level 3 been operated as part of CenturyLink. The pro forma condensed combined financial information appearing elsewhere herein has been presented for informational purposes only and is not necessarily indicative of the financial position or results of operations that actually would have occurred had the combination been completed as of the dates indicated, nor is it indicative of the future operating results or financial position of the combined company. The unaudited pro forma condensed

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combined financial information reflects adjustments, which are based upon preliminary estimates, to allocate the aggregate consideration to Level 3's assets and liabilities. The aggregate consideration allocation reflected in the pro forma condensed combined financial information included in this joint proxy statement/prospectus is preliminary, and the final allocation of the aggregate consideration will be based upon the actual aggregate consideration and the fair value of the assets and liabilities of Level 3 as of the date of the completion of the combination. The unaudited pro forma condensed combined financial information does not (i) reflect future events that may occur after the combination, including the incurrence of costs related to the planned integration of Level 3, any future non-recurring charges resulting from the combination and any termination of contracts by customers as a direct result of the combination, and (ii) consider potential effects of future market conditions on revenues or expense efficiencies. The unaudited pro forma financial information presented in this joint proxy statement/prospectus is based in part on certain assumptions regarding the combination that CenturyLink believes are reasonable under the circumstances. CenturyLink cannot assure you that the assumptions will prove to be accurate over time.

CenturyLink cannot assure you that it will be able to continue paying dividends at the current rate, or at all.

CenturyLink currently pays an annual dividend of \$2.16 per share. Following the closing of the combination, CenturyLink expects to continue its current dividend for shareholders of the combined company, subject to any factors that its board of directors in its discretion deems relevant. However, you should be aware that CenturyLink shareholders may not receive the same dividends following the combination for reasons that may include any of the following factors:

CenturyLink may not have enough cash to pay such dividends due to changes in CenturyLink's cash requirements, capital spending plans, strategies, debt payment plans (including a desire to maintain or improve credit ratings on its debt securities), pension funding payments, liquidity, cash flow or financial position;

decisions on whether, when and in which amounts to make any future distributions will remain at all times entirely at the discretion of the CenturyLink Board, which reserves the right to change CenturyLink's dividend practices at any time and for any reason without prior notice;

the amount of dividends that CenturyLink may distribute to its shareholders is subject to restrictions under Louisiana law and is limited by restricted payment and leverage covenants in CenturyLink's credit facilities and, potentially, the terms of any future indebtedness that CenturyLink may incur;

the amount of dividends that CenturyLink's subsidiaries may distribute to CenturyLink is subject to restrictions imposed by state law, restrictions that may be imposed by state regulators in connection with obtaining necessary approvals for the combination, and restrictions imposed by the terms of credit facilities and other outstanding indebtedness of certain subsidiaries (including, following the combination, Level 3 and its subsidiaries) and, potentially, the terms of any future indebtedness that these subsidiaries may incur; and

CenturyLink's ability to service and refinance its current, assumed and future indebtedness and its ability to borrow or raise additional capital to satisfy its capital needs.

CenturyLink's common shareholders should be aware that they have no contractual or other legal right to dividends that have not been declared.

If CenturyLink's goodwill or other intangible assets become impaired, it may be required to record a significant charge to earnings and reduce its shareholders' equity.

As of September 30, 2016, over half of CenturyLink's total consolidated assets reflected on the consolidated balance sheet incorporated by reference into this joint proxy/prospectus consisted of goodwill, customer relationships and other intangible assets. Consummation of the combination is expected to result in CenturyLink

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recognizing additional goodwill, customer relationships and other intangible assets on its consolidated balance sheet. See *Accounting Treatment*. Under U.S. generally accepted accounting principles, most of these intangible assets must be tested for impairment on an annual basis or more frequently whenever events or circumstances indicate that their carrying value may not be recoverable. From time to time (most recently for the third quarter of 2013), CenturyLink has recorded large non-cash charges to earnings in connection with required reductions of the value of its intangible assets. If CenturyLink's intangible assets are determined to be impaired in the future, it may be required to record additional significant, non-cash charges to earnings during the period in which the impairment is determined to have occurred.

The CenturyLink and Level 3 prospective financial information is inherently subject to uncertainties.

While presented with numeric specificity, the CenturyLink and Level 3 prospective financial information provided in this document was prepared based on numerous variables and assumptions (including, but not limited to, those related to industry performance and competition and general business, economic, market and financial conditions and additional matters specific to CenturyLink or Level 3's business, as applicable) that are inherently subjective and uncertain and are largely beyond the control of the respective management of each. As a result, actual results may differ from the prospective financial information. Important factors that may affect actual results and cause these projected financial forecasts to not be achieved include, but are not limited to, risks and uncertainties relating to CenturyLink's or Level 3's business, as applicable (including each company's ability to achieve strategic goals, objectives and targets over applicable periods) and general industry, business, competitive, technological and economic conditions. For more information see the sections entitled *The Combination and the Stock Issuance Certain Forecasts Prepared by CenturyLink* beginning on page 111 and *The Combination and the Stock Issuance Certain Forecasts Prepared by Level 3* beginning on page 113.

Other Risk Factors of CenturyLink and Level 3

CenturyLink's and Level 3's businesses are, and will continue to be, subject to the risks described above. In addition, CenturyLink and Level 3 are, and will continue to be, subject to the risks described in Level 3's and CenturyLink's Annual Reports on Form 10-K for the fiscal year ended December 31, 2015, as amended and as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 182 for the location of information incorporated by reference in this joint proxy statement/prospectus.

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THE COMPANIES

CenturyLink

CenturyLink, Inc.

100 CenturyLink Drive

Monroe, LA 71203

Telephone: (318) 388-9000

CenturyLink, a Louisiana corporation, together with its subsidiaries, is an integrated communications company engaged primarily in providing an array of communications services, including local and long-distance voice, broadband, Multi-Protocol Label Switching, private line (including special access), Ethernet, hosting (including cloud hosting and managed hosting), data integration, video, network, public access, Voice over Internet Protocol, information technology and other ancillary services. CenturyLink strives to maintain its customer relationships by, among other things, bundling its service offerings to provide a complete offering of integrated communications services.

Based on approximately 11.2 million total access lines at September 30, 2016, CenturyLink believes that it is the third largest wireline telecommunications company in the United States. CenturyLink operates 74% of its total access lines in portions of Colorado, Arizona, Washington, Minnesota, Florida, North Carolina, Oregon, Iowa, Utah, New Mexico, Missouri, and Nevada. CenturyLink also provides local service in portions of Idaho, Ohio, Wisconsin, Virginia, Texas, Nebraska, Pennsylvania, Montana, Alabama, Indiana, Arkansas, Wyoming, Tennessee, New Jersey, South Dakota, North Dakota, Kansas, Louisiana, South Carolina, Michigan, Illinois, Georgia, Mississippi, Oklahoma, and California. In the portion of these 37 states where CenturyLink has access lines, CenturyLink is the incumbent local telephone company.

At September 30, 2016, CenturyLink served approximately 6.0 million broadband subscribers and approximately 318,000 Prism TV subscribers. CenturyLink's methodology for counting access lines, broadband subscribers and Prism TV subscribers may not be comparable to those of other companies.

Additional information about CenturyLink and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information*.

Level 3

Level 3 Communications, Inc.

1025 Eldorado Boulevard

Broomfield, CO 80021

Telephone: (720) 888-1000

Level 3, a Delaware corporation, through its subsidiaries, is a facilities-based provider (that is, a provider that owns or leases a substantial portion of the plant, property and equipment necessary to provide its services) of a broad range of

integrated communications services. Level 3 created its communications network by constructing its own assets and through a combination of purchasing other companies and purchasing or leasing facilities from others. Level 3's network is an international, facilities-based communications network. Level 3 designed its network to provide communications services that employ and take advantage of rapidly improving underlying optical, Internet Protocol, computing and storage technologies. Level 3 provides local, national and global communications services to enterprise, government and carrier customers. Level 3's comprehensive portfolio of secure, managed solutions includes fiber and infrastructure solutions, IP-based voice and data communications, wide-area Ethernet services, video and content distribution, and data center and cloud-based solutions. Level 3 serves customers in more than 500 markets in over 60 countries across a global services platform anchored by owned fiber networks on three continents and connected by extensive undersea facilities. Additional information about Level 3 and its subsidiaries is included in documents incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information*.

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Wildcat Merger Sub 1 LLC

Wildcat Merger Sub 1 LLC, an indirect wholly owned subsidiary of CenturyLink, is a Delaware limited liability company formed on October 28, 2016 for the purpose of effecting the combination. Upon completion of the initial merger, Wildcat Merger Sub 1 LLC will be merged with and into Level 3 with Level 3 surviving as an indirect wholly owned subsidiary of CenturyLink.

Wildcat Merger Sub 1 LLC has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the combination.

WWG Merger Sub LLC

WWG Merger Sub LLC, an indirect wholly owned subsidiary of CenturyLink, is a Delaware limited liability company formed on October 28, 2016 for the purpose of effecting the combination. Upon completion of the subsequent merger, Level 3 will be merged with and into WWG Merger Sub LLC with WWG Merger Sub LLC surviving as a direct wholly owned subsidiary of a newly-created holding company, which in turn is a direct wholly owned subsidiary of CenturyLink.

WWG Merger Sub LLC has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement, including the preparation of applicable regulatory filings in connection with the combination.

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THE CENTURYLINK SPECIAL MEETING

Date, Time and Place

The special meeting of CenturyLink shareholders will be held at 100 CenturyLink Drive, Monroe, Louisiana 71203, on [], 2017, at [], local time.

Matters to be Considered

At the CenturyLink special meeting, CenturyLink shareholders will be asked to vote on:

the CenturyLink stock issuance proposal; and

if necessary, the CenturyLink adjournment proposal.

Recommendation of the CenturyLink Board

The CenturyLink Board unanimously has determined that the combination, the merger agreement and the other transactions contemplated by the merger agreement, including the issuance of CenturyLink common stock to Level 3 stockholders in connection with the combination, are in the best interests of CenturyLink and the CenturyLink shareholders and has unanimously approved and adopted the merger agreement.

*The CenturyLink Board unanimously recommends that the CenturyLink shareholders vote **FOR** the proposal to issue shares of CenturyLink common stock to Level 3 stockholders in connection with the combination.*

Record Date; Stock Entitled to Vote

Only holders of record of shares of CenturyLink common stock or voting preferred stock at the close of business on [], the record date for the CenturyLink special meeting, will be entitled to notice of, and to vote at, the CenturyLink special meeting or any adjournments thereof. You may cast one vote for each share of common stock or voting preferred stock of CenturyLink that you owned on the record date.

On the record date, there were outstanding a total of [] shares of CenturyLink common stock entitled to vote at the CenturyLink special meeting and [] shares of CenturyLink voting preferred stock entitled to vote at the CenturyLink special meeting.

Solicitation of Proxies; Revocability of Proxies

In accordance with the merger agreement, the cost of proxy solicitation for the CenturyLink special meeting will be borne by CenturyLink, other than the expenses incurred by CenturyLink and Level 3 in connection with the filing, printing and mailing of this joint proxy statement/prospectus, half of which expenses will be borne by each of CenturyLink and Level 3. In addition to the use of the mail, proxies may be solicited by officers and directors and regular employees of CenturyLink, without additional remuneration, by personal interview, telephone, facsimile or otherwise. CenturyLink will also request brokerage firms, nominees, custodians and fiduciaries to forward proxy materials to the beneficial owners of shares held of record on the record date and will provide customary reimbursement to such firms for the cost of forwarding these materials. CenturyLink has retained Innisfree M&A

Incorporated to assist in its solicitation of proxies and has agreed to pay them a fee of \$50,000, plus an additional \$25,000 contingent upon the approval of the proposal to issue shares of CenturyLink common stock in connection with the combination, plus reasonable expenses, for these services.

If you are a holder of record on the record date for the CenturyLink special meeting, you have the power to revoke your proxy at any time before your proxy is voted at the CenturyLink special meeting. You can revoke your proxy in one of three ways:

sending a signed notice of revocation;

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granting a new, valid proxy bearing a later date; or

attending the CenturyLink special meeting and vote in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person, but your attendance alone will not revoke any proxy that you have previously given.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by CenturyLink's Secretary at 100 CenturyLink Drive, Monroe, Louisiana 71203, no later than the beginning of the CenturyLink special meeting. If you have voted your shares by telephone or through the Internet, you may revoke your prior telephone or Internet vote by recording a different vote using the telephone or Internet, or by signing and returning a proxy card dated as of a date that is later than your last telephone or Internet vote.

If your shares are held in street name by your broker or nominee, you should contact them to change your vote. Plan participants who wish to revoke their voting instructions must contact the applicable plan trustee and follow its procedures.

Quorum

Shareholders who hold a majority of the total voting power of CenturyLink common stock and voting preferred stock issued and outstanding at the close of business on the record date must be present or represented by proxy to constitute a quorum to organize the CenturyLink special meeting, and shareholders holding a majority of the votes entitled to be cast with respect to the proposal to issue CenturyLink common stock in connection with the initial merger must be present or represented by proxy to constitute a quorum with respect to such proposal. All shares of CenturyLink common stock or voting preferred stock represented at the CenturyLink special meeting, including abstentions and broker non-votes (shares held by a broker or nominee that are represented at the meeting, but with respect to which the broker or nominee is not instructed by the beneficial owner of such shares to vote on the particular proposal), will be treated as present for purposes of determining the presence or absence of a quorum to organize the CenturyLink special meeting, but abstentions and broker non-votes will be treated as not present for purposes of determining the presence or absence of a quorum with respect to the proposal to issue CenturyLink common stock in connection with the initial merger.

Vote Required

Under the rules of the NYSE, the issuance of CenturyLink common stock to Level 3 stockholders in connection with the initial merger requires approval by the affirmative vote of a majority of the votes cast on such matter at the CenturyLink special meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum exists).

The vote with respect to the CenturyLink stock issuance proposal will also constitute a vote of the CenturyLink shareholders under the applicable provisions of the Louisiana Business Corporation Act, which we refer to as the LBCA. Pursuant to the LBCA, the issuance of CenturyLink common stock to Level 3 stockholders in the initial merger requires the affirmative vote of holders of CenturyLink common stock and voting preferred stock, voting together as a single class, at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the proposal exists, in which the votes cast favoring the proposal exceed the votes cast opposing the proposal. If the proposal is approved under the rules of the NYSE, it will also be approved for purposes of the LBCA.

Approval of any proposal to adjourn the CenturyLink special meeting, if necessary, for the purpose of soliciting additional proxies requires approval by the affirmative vote of a majority of the votes cast on such matter at such

meeting by holders of the CenturyLink common stock and voting preferred stock, voting as a single class (provided that a quorum exists).

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Abstentions and Broker Non-Votes

If you are a CenturyLink shareholder and fail to vote, fail to instruct your broker or nominee to vote, or abstain from voting, it will have no effect on the CenturyLink stock issuance proposal or, if necessary, the CenturyLink adjournment proposal, assuming a quorum is present. Although abstentions and broker non-votes will be counted as present for purposes of determining whether a quorum is present to organize the CenturyLink special meeting, they will not be considered to be cast for purposes of determining whether the requisite vote to approve any such proposal has been obtained and will not be treated as present for purposes of determining the existence of a quorum with respect to the proposal to issue CenturyLink common stock to the Level 3 stockholders in connection with the initial merger. Accordingly, your failure to cast a vote will make it more difficult to meet the quorum requirement with respect to organizing the CenturyLink special meeting and your failure to cast a vote or your abstention from voting will make it more difficult to meet the quorum requirements with respect to the proposal to issue CenturyLink common stock to the Level 3 stockholders in connection with the initial merger.

Voting Power of CenturyLink's Directors and Executive Officers

On the record date, less than []% of the outstanding CenturyLink common shares and none of the outstanding shares of CenturyLink voting preferred stock were held by CenturyLink directors and executive officers and their respective affiliates. CenturyLink currently expects that CenturyLink's directors and executive officers will vote their shares in favor of the issuance of CenturyLink common stock to Level 3 stockholders in connection with the combination.

Attending the CenturyLink Special Meeting

All holders of CenturyLink common stock, including shareholders of record and shareholders who hold shares through banks, brokers or other nominees, are invited to attend the CenturyLink special meeting. Shareholders of record can vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter or an account statement issued by the record holder of your shares confirming your ownership, and you must bring a form of personal photo identification with you to be admitted. CenturyLink reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

Voting of Proxies by Record Shareholders

A proxy card is enclosed for use by CenturyLink shareholders of record. CenturyLink requests that its record shareholders sign the accompanying proxy and return it promptly in the enclosed postage-paid envelope. You may also vote your shares by telephone or through the internet. Information and applicable deadlines for voting by telephone or through the internet are set forth on the enclosed proxy card. When the accompanying proxy is returned properly executed, the shares of CenturyLink common stock or voting preferred stock represented by it will be voted at the CenturyLink special meeting or any adjournment thereof in accordance with the instructions contained in the proxy.

If a proxy is signed and returned without an indication as to how the shares of CenturyLink common stock or voting preferred stock represented by the proxy are to be voted with regard to a particular proposal, the CenturyLink common stock or voting preferred stock represented by the proxy will be voted in favor of each such proposal. At the date hereof, CenturyLink management has no knowledge of any business that will be presented for consideration at the special meeting and which would be required to be set forth in this joint proxy statement/prospectus other than the matters set forth in CenturyLink's accompanying Notice of Special Meeting of Shareholders. In accordance with CenturyLink's bylaws and Louisiana law, business transacted at the CenturyLink special meeting will be limited to

those matters set forth in such notice. Nonetheless, if any other matter is properly presented at the CenturyLink special meeting for consideration, it is intended that the persons named in the enclosed proxy and acting thereunder will vote in accordance with their best judgment on such matter.

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Your vote is important. Accordingly, please sign and return the enclosed proxy card whether or not you plan to attend the CenturyLink special meeting in person.

Participants in Benefit Plans

If you beneficially own any CenturyLink common stock by virtue of participating in any retirement plan of CenturyLink, then you have received separate voting instruction cards in lieu of a proxy card. These voting instruction cards entitle you, on a confidential basis, to instruct the plan trustees how to vote the shares of CenturyLink common stock allocated to your plan account. The cards for some of the plans will similarly entitle you to direct the voting of a proportionate number of plan shares of CenturyLink common stock for which properly executed instructions are not timely received and some will require you to act in your capacity as a named fiduciary, which requires you to exercise your voting rights prudently and in the interest of all plan participants. Plan participants who wish to vote should complete and return voting instruction cards in the manner provided by such cards. If you elect not to vote plan shares of CenturyLink common stock allocated to your accounts, your plan shares will be voted in the manner specified in the voting instruction cards.

Shares Held in Street Name

If you hold your shares of CenturyLink stock in a stock brokerage account or if your shares are held by a bank or nominee (that is, in street name), you must provide the record holder of your shares with instructions on how to vote your shares if you wish them to be counted. Please follow the voting instructions provided by your broker, bank or nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to CenturyLink or by voting in person at the CenturyLink special meeting. Further, brokers who hold shares of CenturyLink stock on behalf of their customers may not vote those shares without specific instructions from their customers.

If you hold your CenturyLink stock in street name and you do not instruct your broker on how to vote any of your shares, your broker may not vote those shares. For a discussion of the consequences of such broker non-votes, see *Abstentions and Broker Non-Votes*.

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THE LEVEL 3 SPECIAL MEETING

This section contains information about the special meeting of Level 3 stockholders that has been called to consider and approve the merger proposal and the compensation proposal.

A notice of the special meeting and a form of proxy that is solicited by the Level 3 Board are included with this document. The Level 3 special meeting will be held on _____, 2017, at _____ a.m., local time, at Level 3's headquarters at 1025 Eldorado Boulevard, Broomfield, Colorado 80021.

Matters to Be Considered

The purpose of the Level 3 special meeting is to vote on:

the merger proposal;

the compensation proposal; and

the Level 3 adjournment proposal.

Proxies

Each copy of this document mailed to holders of Level 3 common stock as of the record date is accompanied by a form of proxy with instructions for voting by mail, by telephone or through the internet. If you hold stock in your name as a stockholder of record and are voting by mail, you should complete and return the proxy card accompanying this document to ensure that your vote is counted at the Level 3 special meeting, or at any adjournment or postponement of the special meeting, regardless of whether or not you plan to attend the Level 3 special meeting. You may also vote your shares by telephone or through the internet. Information and applicable deadlines for voting by telephone or through the internet are set forth in the enclosed proxy card instructions.

If you hold your stock in street name through a bank, broker, trust company or other nominee, you must direct your bank, broker, trust company or other nominee to vote in accordance with the instructions you have received from your bank, broker, trust company or other nominee.

If you hold stock in your name as a stockholder of record, you may revoke any proxy at any time before it is voted at the special meeting by signing and returning a proxy card with a later date by internet or telephone before the deadline stated on the proxy card, by delivering a proxy card with a later date or a written notice of revocation to Level 3's secretary, which must be received by us before the time of the special meeting, or by voting in person at the special meeting.

Any stockholder entitled to vote in person at the Level 3 special meeting may vote in person regardless of whether or not a proxy has been previously given, but simply attending the Level 3 special meeting will not constitute revocation of a previously given proxy.

Written notices of revocation and other communications about revoking your proxy should be addressed to:

Level 3 Communications, Inc.

1025 Eldorado Blvd.

Broomfield, Colorado 80021

Attention: John M. Ryan, Executive Vice President, Chief Legal Officer and Secretary

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

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All shares represented by valid proxies that are received through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy card or as instructed via the internet or telephone. **If you make no specification on your proxy card as to how you want your shares voted, your proxy will be voted FOR the approval of the merger proposal, FOR the approval of the compensation proposal and FOR the approval of the Level 3 adjournment proposal.** According to the Level 3 amended and restated by-laws, only such business that is specified in Level 3's notice of the meeting may be conducted at a special meeting of stockholders.

Solicitation of Proxies

In accordance with the merger agreement, Level 3 will bear the entire cost of proxy solicitation for the Level 3 special meeting, except that CenturyLink and Level 3 will share equally all expenses incurred in connection with the filing of the registration statement of which this joint proxy statement/prospectus forms a part with the SEC and the printing and mailing of this joint proxy statement/prospectus. If necessary, Level 3 may use several of its regular employees, who will not be specially compensated, to solicit proxies from Level 3 stockholders, either personally or by telephone, facsimile, letter or other electronic means. Level 3 will also request that banks, brokers, and other record holders forward proxies and proxy material to the beneficial owners of Level 3 common stock and secure their voting instructions, and Level 3 will provide customary reimbursement to such firms for the cost of forwarding these materials.

Record Date

The close of business on _____, 2017 has been fixed as the record date for determining the Level 3 stockholders entitled to receive notice of and to vote at the Level 3 special meeting. At that time, _____ shares of Level 3 common stock were outstanding, held by approximately _____ holders of record.

Quorum

Stockholders who hold shares representing at least a majority of the issued and outstanding shares entitled to vote at the Level 3 special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Level 3 special meeting. The holders of a majority of the shares entitled to vote and present in person or represented by proxy at the Level 3 special meeting, whether or not a quorum is present, may adjourn the Level 3 special meeting to another time and place. At any adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. Notice of any adjourned meeting need not be given except by announcement at the meeting.

Abstentions and broker non-votes will be included in the calculation of the number of shares of Level 3 common stock represented at the special meeting for purposes of determining whether a quorum has been achieved.

Vote Required

Each share of Level 3 common stock outstanding on the record date for the Level 3 special meeting entitles the holder to one vote on each matter to be voted upon at the Level 3 special meeting. Each of the proposals has the following vote requirement in order to be approved:

approval of the merger proposal requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock entitled to vote on the proposal;

approval of the compensation proposal requires the affirmative vote of the holders of a majority of the issued and outstanding shares of Level 3 common stock present in person or represented by proxy at the Level 3 special meeting and entitled to vote at the meeting; and

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approval of the proposal to adjourn the Level 3 special meeting, if necessary, to solicit additional proxies requires the affirmative vote of holders of a majority of the issued and outstanding shares of Level 3 common stock present in person or represented by proxy at the Level 3 special meeting and entitled to vote at the meeting.

Abstentions, failures to submit a proxy card or vote in person, by telephone, or through the internet and broker non-votes will be treated in the following manner with respect to determining the votes received for each of the proposals:

an abstention will have the same effect as a vote AGAINST the merger proposal, the compensation proposal and the Level 3 adjournment proposal;

a failure to submit a proxy card or vote in person, by telephone or through the internet or a failure to instruct your broker or nominee to vote will, assuming a quorum is present, have no effect on the compensation proposal and the Level 3 adjournment proposal, but will have the same effect as a vote AGAINST the merger proposal.

The Level 3 Board urges Level 3 stockholders to promptly vote by completing, dating and signing the accompanying proxy card and returning it promptly in the enclosed postage-paid envelope; calling the toll-free number listed in the proxy card instructions if voting by telephone; or accessing the internet site listed in the proxy card instructions if voting through the internet. If you hold your stock in street name through a bank or broker, please vote by following the voting instructions of your bank or broker.

Stockholders may also vote at the Level 3 special meeting by ballot.

One of Level 3's stockholders, STT Crossing, which owns approximately []% of the outstanding Level 3 shares as of the record date, has entered into a voting agreement with CenturyLink and, solely with respect to certain covenants contained therein, Level 3, under which STT Crossing has agreed, among other things and subject to certain exceptions as set forth in the voting agreement, to vote its Level 3 common stock in favor of the adoption of the merger proposal. See the section below entitled *STT Crossing Voting Agreement and Shareholder Rights Agreement* beginning on page 142.

Voting Power of Level 3's Directors and Executive Officers

On the record date for the Level 3 special meeting, the directors and executive officers of Level 3 and their affiliates owned and were entitled to vote [] shares of Level 3's common stock, representing []% of the outstanding Level 3 common stock (including [] shares of Level 3 common stock held by STT Crossing and its affiliates, representing []% of the outstanding Level 3 common stock). Level 3 currently expects that Level 3's directors and executive officers will vote their shares in favor of the merger proposal and the compensation proposal.

Recommendation of the Level 3 Board

The Level 3 Board has unanimously approved the merger agreement and the transactions contemplated by it, including the combination. The Level 3 Board has determined that the merger agreement and the transactions contemplated by it are advisable and in the best interests of Level 3 and its stockholders and unanimously recommends that you vote FOR the approval of the merger proposal, FOR the approval of the compensation proposal and FOR the Level 3 adjournment proposal. See the section entitled *The Combination and the Stock Issuance* Level 3's

Reasons for the Combination; Recommendation of the Combination by the Level 3 Board beginning on page 61 for a more detailed discussion of the Level 3 Board's recommendation.

Attending the Level 3 Special Meeting

All holders of Level 3 common stock, including stockholders of record and stockholders who hold their shares through banks, brokers or other nominees, are invited to attend the Level 3 special meeting. Stockholders of record can vote in person at the special meeting. If you are not a stockholder of record, you must obtain a

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proxy executed in your favor from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership and you must bring a form of personal photo identification with you to be admitted. Level 3 reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification.

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THE COMBINATION AND THE STOCK ISSUANCE

Effects of the Combination

Under the merger agreement, merger sub 1 will merge with and into Level 3. Level 3 will be the surviving corporation in the initial merger and will thereby become an indirect wholly owned subsidiary of CenturyLink. Immediately following the initial merger, Level 3 will merge with and into merger sub 2. Merger sub 2 will be the surviving company in the subsequent merger.

In the initial merger, each outstanding share of Level 3 common stock (excluding shares as to which appraisal rights have been properly exercised pursuant to Delaware law) will be converted at the effective time of the initial merger into the right to receive 1.4286 shares of CenturyLink common stock and \$26.50 in cash, without interest, for each share of Level 3 common stock owned at the effective time, with cash paid in lieu of fractional shares. The exchange ratio is fixed and will not be adjusted to reflect stock price changes prior to closing of the initial merger. CenturyLink shareholders will continue to hold their existing CenturyLink shares.

Background of the Combination

CenturyLink and Level 3 periodically review and assess their respective performance, prospects and strategies in light of the current business and economic environment, as well as developments in the telecommunications industry and opportunities and challenges facing participants in that industry. As leading companies in the telecommunications industry that periodically transact business with each other, each of CenturyLink and Level 3 is generally familiar with the other's business.

From time to time, Jeff K. Storey, Level 3's president and chief executive officer, and Glen F. Post, III, CenturyLink's chief executive officer and president, would see one another at various industry events and discuss the telecommunications industry and recent developments. During the period between May 2015 and May 2016, Mr. Storey and Mr. Post met on a few occasions to discuss industry developments and their respective businesses.

During the first half of 2016, CenturyLink undertook an ordinary course review of its strategic alternatives. This review included as a possibility a potential transaction with Level 3. On April 5, 2016, BofA Merrill Lynch presented Mr. Post and other members of CenturyLink's senior management with an overview, based on publicly available information, of such a possible transaction with Level 3 and its strategic rationale, including Level 3's global scale and deep local access network, the possibility for significant synergies and Level 3's accumulated NOLs which could be valuable to CenturyLink. During a regularly scheduled meeting of the CenturyLink Board on May 19, 2016, Mr. Post mentioned the possibility of a transaction between CenturyLink and Level 3 as one possibility among many others under review by CenturyLink and its management in the course of its review of strategic alternatives.

On May 25, 2016, Mr. Post called Mr. Storey by telephone and invited Mr. Storey to meet to discuss the strategic options available to both Level 3 and CenturyLink. In response to that call, on June 6, 2016, Mr. Post and Mr. Storey met at CenturyLink's offices to discuss the state of the telecommunications industry generally, ongoing regulatory developments and other issues. The possibility of a transaction between CenturyLink and Level 3 was also discussed. Several possible transaction structures were discussed at a preliminary level, including the possibility of a transaction in which Level 3 would combine with CenturyLink and the combined company would issue two tracking stocks. One tracking stock would relate to a combination of Level 3's business and the portion of CenturyLink's business similar to Level 3's business, as well as all of CenturyLink's consumer and enterprise business in its seven largest states. We refer to this combination of businesses as the combined operations. The other tracking stock would relate to CenturyLink's remaining operations, which we refer to as the CenturyLink remaining operations. In this possible structure,

CenturyLink shareholders would receive a minority economic interest in the combined operations and a 100% economic interest in the CenturyLink remaining operations, and Level 3 shareholders would receive a majority economic interest in the

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combined operations. The proposed tracking stock structure also contemplated a cash payment to CenturyLink's shareholders in an undetermined amount, depending on the agreed allocation of the overall economics in the proposed structure. We refer to this possible structure as the potential tracking stock transaction. Neither party made any specific proposal, but Mr. Post and Mr. Storey agreed that the possibility of a transaction between the two companies merited further review. In reviewing the potential tracking stock transaction, Level 3 senior management viewed this structure as an acquisition of CenturyLink by Level 3 that would result in the Level 3 stockholders holding a majority of the overall equity of the combined company. The parties, however, did not discuss which party would be the acquirer in the potential tracking stock transaction and, depending on the financial structure of the potential tracking stock transaction and the size of the cash payment to the CenturyLink shareholders, it could have been structured as an acquisition of either party.

On June 15, 2016, CenturyLink held its regularly scheduled annual planning meeting of its board of directors. Mr. Post reported on his conversation with Mr. Storey, and members of CenturyLink management discussed structural, valuation and other preliminary issues related to a possible transaction between the parties. Representatives of BofA Merrill Lynch presented to the CenturyLink Board preliminary illustrative valuations of CenturyLink and Level 3 and various transaction structures to combine the companies, including the potential tracking stock transaction as well as a potential cash and stock acquisition of Level 3 at a premium, in each case based on publicly available information. The CenturyLink Board discussed with CenturyLink's management and representatives of BofA Merrill Lynch the risks and advantages of the potential transactions, as well as CenturyLink's long-term plan, the value implications of Level 3's NOLs and potential synergies that could reasonably be expected to result from a transaction with Level 3. The CenturyLink Board also discussed the possibility of a stock-for-stock merger between CenturyLink and Level 3, including the fact that such a transaction would be less favorable for CenturyLink's shareholders than the potential tracking stock transaction or a cash and stock acquisition, because of the high trading multiple of Level 3's common stock price relative to its earnings, which would make an all-stock transaction dilutive to CenturyLink's shareholders.

On June 15, 2016, Sunit S. Patel, Level 3's chief financial officer, and R. Stewart Ewing Jr., CenturyLink's chief financial officer, agreed to meet in person in New York, New York on July 6th and July 7th to discuss potential synergies and structures of a business combination. Later on June 15, 2016, CenturyLink delivered a draft mutual nondisclosure agreement to Level 3. During the following week, representatives of CenturyLink and Level 3 negotiated the terms of a mutual nondisclosure agreement between the parties and, on June 23, 2016, in anticipation of further discussions and due diligence, the parties entered into a mutual nondisclosure agreement with respect to a potential negotiated business combination.

Between July 5, 2016 and early September 2016, CenturyLink and Level 3 intermittently exchanged preliminary due diligence information concerning their respective operations and businesses.

On July 6, 2016, R. Stewart Ewing, executive vice president and chief financial officer of CenturyLink, Derek Koecher, senior vice president, corporate strategy and business development of CenturyLink, and Stacey W. Goff, executive vice president, chief administrative officer, general counsel and secretary of CenturyLink, met in New York, New York with Mr. Patel and Robert McCarthy, senior vice president, corporate development of Level 3. Representatives of BofA Merrill Lynch were also in attendance for portions of the meeting. During this meeting, the participants discussed the strategic rationale for a potential negotiated business combination transaction or a strategic relationship transaction between CenturyLink and Level 3. Representatives of BofA Merrill Lynch presented illustrative preliminary valuations of CenturyLink and Level 3, in each case based on publicly available information, as well as various transaction structures that could permit a transaction between the companies, including the potential tracking stock transaction. The representatives of CenturyLink and Level 3 discussed the benefits of the potential tracking stock transaction as well as the challenges that such a structure would present, including increased transactional and administrative complexity and other related governance issues. The representatives of Level 3

expressed their view that a possible stock-for-stock or other merger structure, in which tracking stock would not be issued, should also be under consideration between the parties.

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The representatives of CenturyLink and Level 3 reaffirmed their mutual interest in the continued evaluation of a possible combination if a suitable structure could be mutually agreed upon. They also agreed to work over the coming months to advance the companies' review of the potential synergies and other due diligence.

Throughout July 2016, the Level 3 and CenturyLink management teams held a number of telephonic meetings to discuss certain due diligence matters related to the potential transaction, including synergies.

On July 26, 2016, at a regularly scheduled intra-quarter meeting of the CenturyLink Board, Mr. Post updated the directors with respect to several recent corporate developments and opportunities, including the meetings that had taken place between representatives of CenturyLink and Level 3 since the prior meeting of the CenturyLink Board and the results of preliminary due diligence. Mr. Post provided an update regarding the status of management's review of potential transaction synergies and various other issues. Mr. Post indicated that management was unwilling to recommend an all-stock transaction at that time due to its dilutive impact on CenturyLink's shareholders. The CenturyLink Board again discussed the challenges and advantages of the potential tracking stock structure and the potential cash and stock acquisition of Level 3. The CenturyLink Board authorized CenturyLink's management to continue its review and evaluation of a potential combination, with a particular focus on continuing its review of the synergies that could be achieved.

During the week of August 1, 2016, representatives of CenturyLink and representatives of Level 3 met to continue their evaluation of the potential synergies that could result from a transaction between the companies.

On August 10, 2016, Mr. Post and Mr. Storey met in Denver, Colorado to discuss the possible transaction, including potential synergies and the advantages and disadvantages of the potential tracking stock transaction and other potential combination structures. Mr. Storey noted his belief that the complexities of the potential tracking stock transaction would make such a structure difficult to implement. Setting aside the various potential structures, Mr. Post and Mr. Storey expressed their continued interest in discussing a possible transaction. Following such meeting, CenturyLink's management worked with representatives of BofA Merrill Lynch to further explore potential transaction structures that did not involve tracking stock.

On August 17, 2016, at a regularly scheduled meeting of the Level 3 Board held at Level 3's headquarters in Broomfield, Colorado, the possibility of a potential transaction with CenturyLink was discussed. At that meeting, members of senior management of Level 3 reported to the Level 3 Board on the status of the industry, the strategic rationale for pursuing a potential transaction with CenturyLink, the anticipated benefits of a potential transaction with CenturyLink to Level 3 stockholders and discussions with CenturyLink to date. After discussion, the consensus of the Level 3 Board was that Mr. Storey and Level 3 senior management should continue discussions with CenturyLink.

On August 24, 2016, at a regularly scheduled meeting of the CenturyLink Board, members of management provided a general update on pending acquisition and divestiture discussions. In connection with these updates, members of management and representatives of BofA Merrill Lynch presented the CenturyLink Board with the possibility of a cash and stock transaction with Level 3 in which CenturyLink would finance the cash portion of a yet-to-be-determined purchase price with new indebtedness. The representatives of management and BofA Merrill Lynch indicated that such a transaction structure would allow CenturyLink to acquire Level 3, with CenturyLink's shareholders retaining a majority of the equity interest in the combined company following completion of the transaction. The CenturyLink Board discussed the implications of such a transaction for the combined company, including its resulting indebtedness.

On September 1, 2016, Mr. Storey informed Mr. Post that Level 3 did not wish to pursue the potential tracking stock transaction, due to the complexities involved, or any transaction in which Level 3 would be the acquiror. However,

Mr. Storey told Mr. Post that he still saw significant potential benefits in combining the companies' businesses, and that the parties should continue to work to see what options were available to combine the companies.

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On or about September 1, 2016, CenturyLink advised BofA Merrill Lynch that it intended to engage BofA Merrill Lynch as financial advisor in connection with a potential transaction with Level 3.

On September 14, 2016, after an investor conference in Beverly Hills, California, Mr. Patel and Mr. Ewing met for dinner to review the status of the discussions between the companies. A representative of BofA Merrill Lynch also attended. Topics discussed included the structures under review for a possible transaction and the potential synergies that could be achieved in such a transaction.

On September 20, 2016, Mr. Post and Mr. Storey met in New York, New York to discuss the possibility of a transaction between CenturyLink and Level 3. During this meeting, Mr. Post proposed for the first time that the potential transaction would involve an acquisition of Level 3 by CenturyLink. Also, during this meeting, Mr. Post and Mr. Storey discussed the feasibility of various transaction structures, and Mr. Storey indicated that if the transaction was to be structured as an acquisition of Level 3 by CenturyLink, Level 3's strong preference was for a mix of cash and stock consideration. During this meeting, Mr. Post indicated that CenturyLink might consider consideration per share of Level 3 common stock of approximately \$58.00 to \$60.00, with a cash component of \$23.00 per share and the remainder of the consideration in shares of CenturyLink common stock. Mr. Storey indicated that such indicative price range was inadequate but suggested that the parties continue to discuss their views on the synergies and other potential benefits of a combination of the companies.

Also on September 20, 2016, representatives of Level 3 management reached out to Citigroup Global Markets, Inc., which we refer to as Citi, in connection with acting as a financial advisor to Level 3 with respect to a proposed transaction with CenturyLink. On September 22, 2016, members of Level 3 senior management and CenturyLink senior management discussed telephonically scheduling additional meetings between the management teams to continue their evaluation of a potential transaction. Between September 22 and October 5, 2016, additional telephonic meetings occurred between members of senior management to further evaluate the potential synergies and other benefits and challenges of a possible combination.

On or about September 26, 2016, CenturyLink advised Morgan Stanley that it intended to engage Morgan Stanley as financial advisor in connection with a potential transaction with Level 3.

On October 5, 2016, Mr. Post and Mr. Storey met in Dallas, Texas to discuss a possible combination. Mr. Post stated CenturyLink's view that a potential combination involving consideration of approximately \$64.00 to \$65.00 per share of Level 3 common stock would offer an attractive valuation for Level 3 stockholders, and Mr. Storey indicated that this price range was inadequate and that Level 3 would be likely to consider a price of approximately \$68.00 to \$70.00 per share of Level 3 common stock. Mr. Post and Mr. Storey confirmed their continued interest in seeking to bridge the valuation gap and agreed to continue their evaluation of a possible combination.

On October 6, 2016, financial advisors of CenturyLink and Level 3 discussed the inputs to the financial analyses furnished by the respective managements of CenturyLink and Level 3, including synergies, interest costs, cash taxes and other items affecting whether the possible combination would be accretive to CenturyLink's shareholders. CenturyLink also reviewed the actions that Level 3 was implementing on a stand-alone basis to improve its financial and operating performance.

After the meetings of October 5 and 6, 2016, Mr. Storey and Mr. Post discussed telephonically the outcome of the meetings. During this discussion, Mr. Post proposed an indicative value of Level 3 common stock below \$65.00 per share, but indicated he could consider raising the per share price if, for purposes of valuing the consideration, the CenturyLink common stock was valued at the then 90-day volume weighted average price, and the consideration included \$26.50 per share in cash. Mr. Storey indicated that he did not believe this price would be sufficient but he

would be willing to discuss an indicative price per share of Level 3 common stock higher than \$65.00 per share with the Level 3 Board.

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On October 7 and 8, 2016, Mr. Post and Mr. Storey had numerous telephonic conversations. During such discussions, Mr. Storey indicated that the Level 3 Board might be receptive to an indicative price of \$66.50 per share, consisting of \$26.50 in cash and the remaining portion in CenturyLink common stock, with a value of CenturyLink common stock at \$27.76 per share, which was the closing stock price of CenturyLink common stock on October 7, 2016.

On October 8, 2016, Mr. Post proposed to Mr. Storey an acquisition of Level 3 by CenturyLink at an indicative price of \$66.50 per share, consisting of \$26.50 per share in cash and 1.4286 shares of CenturyLink common stock (based on a reference price of \$28.00 per share of CenturyLink common stock) for each share of Level 3 common stock. Mr. Post and Mr. Storey agreed to discuss these terms with their respective boards of directors.

From October 8 to October 12, 2016, Mr. Storey reached out to all of the members of the Level 3 Board and had telephonic discussions with individual members of the Level 3 Board in order to provide them with an update on the recent discussions with Mr. Post. During these conversations, Mr. Storey received feedback from the Level 3 Board members regarding their view on the appropriate next steps.

On October 11, 2016, Mr. Goff delivered a draft preliminary term sheet with respect to the proposed combination to Mr. McCarthy. The draft term sheet outlined the key terms of the proposed combination, including that the proposed merger consideration per share of the Level 3 common stock would consist of \$26.50 in cash and a fixed number of shares of CenturyLink common stock valued at \$40.00 based on CenturyLink's trading prices prior to signing, subject to a cap of 1.429 shares. CenturyLink's draft term sheet also contemplated, among other things, that the combination would not be subject to any financing condition and that CenturyLink would obtain fully committed financing in support of the proposed combination, but that CenturyLink would be liable for a financing termination fee, without further liability, if Level 3 terminated the transaction due to the failure of CenturyLink's financing sources to fund the debt financing at the closing of the proposed combination, that neither party would be permitted to terminate the merger agreement to accept a competing proposal prior to a shareholder vote on a CenturyLink/Level 3 transaction (sometimes referred to as a "force the vote" provision), and that CenturyLink would expand the CenturyLink Board upon completion of the proposed combination to include an unspecified number of Level 3 directors.

Also on October 11, 2016, CenturyLink received an initial draft term sheet with respect to the financing of the cash portion of proposed merger consideration from BofA Merrill Lynch and Morgan Stanley.

Between October 11 to 13, 2016, in anticipation of financial due diligence sessions scheduled for October 14, 2016, CenturyLink and Level 3 exchanged third quarter 2016 financial information and strategic plans for 2017 through 2021, including internal financial forecasts for CenturyLink and Level 3, respectively, for that period. See *Certain Forecasts Prepared by CenturyLink* and *Certain Forecasts Prepared by Level 3*.

On the morning of October 12, 2016, John M. Ryan, executive vice president, chief legal officer and secretary of Level 3, Mr. Goff, representatives of Wachtell Lipton, Rosen & Katz, counsel to CenturyLink, which we refer to as Wachtell Lipton, and representatives of Willkie Farr Gallagher LLP, counsel to Level 3, which we refer to as Willkie Farr, discussed the draft term sheet. The Level 3 representatives indicated a preference for fixing the number of CenturyLink shares that would be issued to each Level 3 shareholder at \$40.00 per share of Level 3 common stock based upon a reference price of \$28.00 per share of CenturyLink common stock. The representatives of Level 3 and their legal advisors indicated that Level 3 would not accept the "force the vote" provision or the financing termination fee structure, instead proposing that CenturyLink should be required to specifically perform its obligations to complete the combination regardless of a financing failure. The Level 3 representatives also expressed their interest in obtaining a reverse break-up fee if CenturyLink were unable to obtain regulatory approvals, and that Level 3 desired the ability to nominate a number of directors from the Level 3 Board to the CenturyLink Board in connection with the closing of the proposed combination that was proportionate to the ownership of the combined company by Level 3.

shareholders. Following this discussion, CenturyLink sent a revised draft of the term sheet to Level 3 that proposed consideration of \$26.50 in cash and

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1.429 CenturyLink shares subject to confirmation prior to signing, eliminated the force the vote and financing termination fee provisions and proposed adding three Level 3 directors to the combined company board, but not including any reverse break-up fee for failure to obtain regulatory approvals. The revised term sheet also contemplated that Level 3's largest shareholder would enter into a voting agreement to support the transaction.

Later on October 12, 2016, the CenturyLink Board, together with representatives of BofA Merrill Lynch, Morgan Stanley and Wachtell Lipton, met to discuss the potential combination. Mr. Post updated the CenturyLink Board with respect to the conversations he had had with Mr. Storey, including with respect to the proposed aggregate consideration of \$26.50 in cash and 1.429 CenturyLink shares, valued at \$66.50 based on a reference price of \$28.00 per share of CenturyLink shares per share of Level 3 common stock. Mr. Post reviewed the rationales for pursuing a combination with Level 3 at this time, including, among others, the opportunity to attain synergy savings, growth potential and substantial NOLs. Representatives of BofA Merrill Lynch and Morgan Stanley reviewed with the CenturyLink Board preliminary financial analyses with respect to the proposed transaction, and Mr. Ewing reviewed CenturyLink's financing plan. After discussing the presentations by BofA Merrill Lynch, Morgan Stanley and management, the CenturyLink Board authorized management and CenturyLink's advisors to continue negotiations with respect to a possible combination, with the goal of announcing the transaction in early November if an agreement could be reached. The CenturyLink Board also indicated its desire to engage a third financial advisor in connection with CenturyLink's evaluation of the potential combination, in light of the potential financing for the transaction being provided by BofA Merrill Lynch and Morgan Stanley. Following this meeting, several outside CenturyLink directors participated in calls with CenturyLink's management designed to identify suitable candidates to act as the third financial advisor.

On October 13, 2016, the Level 3 Board and Level 3 senior management held a telephonic meeting to discuss their views on a possible transaction with CenturyLink. Representatives of Willkie Farr attended the meeting. Members of Level 3 senior management reviewed the strategic rationale of a combination with CenturyLink and the benefits to combining the companies. The Level 3 Board discussed the draft preliminary term sheet received from CenturyLink on October 11, 2016 and the possible transaction, including the exchange ratio and whether it was fixed and the required efforts in connection with obtaining regulatory approval. Level 3 management also explained that the initial draft of the term sheet included the proposed reverse termination fee in the event that CenturyLink failed to obtain its financing for the proposed transaction and provided that the merger agreement would include a force the vote provision which would prohibit Level 3 from terminating the merger agreement in order to accept a superior proposal, both of which CenturyLink removed from the subsequently circulated term sheet. During the meeting, representatives of Willkie Farr discussed the fiduciary duties applicable to the Level 3 Board. The Level 3 Board discussed the ability of CenturyLink to maintain its annual cash dividend, the debt financing that would be needed to finance the cash portion of the merger consideration and the timing of the potential transaction. The Level 3 Board discussed with management and Willkie Farr the advisability of approaching other parties that could be interested in a potential business combination with Level 3 before entering into a transaction with CenturyLink. In light of the premium being proposed by CenturyLink, Level 3 management's view of the relatively low likelihood of any potential alternate bidder being willing to make a superior proposal within a short time frame and the risk of potential leaks raised by pursuing such a pre-signing market check, coupled with the ability of any potential interested bidder to submit a competing offer following the signing of a definitive agreement with CenturyLink and the ability of Level 3 to terminate any definitive agreement with CenturyLink post-signing to accept a superior proposal from another bidder, the Level 3 Board determined at that time to continue pursuing the transaction proposed by CenturyLink without approaching other parties. After such discussions, the Level 3 Board authorized Level 3 senior management to continue discussions with CenturyLink, including negotiation of a potential merger agreement, subject to further review by the Level 3 Board.

On October 14, 2016, representatives of the management teams of CenturyLink and Level 3 and representatives of BofA Merrill Lynch, Morgan Stanley and Citi met in Monroe, Louisiana to conduct mutual financial due diligence of their respective businesses, including with respect to the internal financial forecasts that were previously exchanged between CenturyLink and Level 3.

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On October 15, 2016, representatives of CenturyLink, BofA Merrill Lynch, Morgan Stanley, Wachtell Lipton, and CenturyLink's regular corporate and securities counsel held a conference call with representatives of Level 3, Willkie Farr and Citi to review Level 3's existing debt financing, which would remain in place following the completion of the proposed combination, including the restrictive covenants and Level 3's intercompany debt structure.

On October 16, 2016, Mr. Goff provided a draft voting agreement to Mr. Ryan, pursuant to which STT Crossing Ltd, an indirect subsidiary of Singapore Technologies Telemedia Pte Ltd, Level 3's largest stockholder, which we refer to as STT Crossing, would agree to vote its shares of Level 3 common stock in favor of the transaction.

On October 17, 2016, the CenturyLink Board met to receive an update on the transaction process from CenturyLink's management team and financial and legal advisors. During this meeting, after a thorough discussion of the premium to Level 3 stockholders implied by consideration of \$66.50 per share of Level 3 common stock, Mr. Post informed the CenturyLink Board that, based on his conversations with Mr. Storey, he believed that Level 3 would be unlikely to agree to aggregate consideration valued at less than \$66.50 per share. The CenturyLink Board discussed this potential valuation, as well as trends in Level 3's recent financial performance. The CenturyLink Board also discussed the compelling strategic rationale for the potential combination, including the favorable outlook for Level 3's enterprise business and latent network capacity, which could be a significant source of long-term value. Mr. Post also updated the CenturyLink Board with respect to CenturyLink's due diligence efforts. Finally, the CenturyLink Board discussed potential financial advisors that would not be involved in CenturyLink's acquisition financing. After discussing several alternatives, the CenturyLink Board determined to engage Evercore as an additional financial advisor in connection with CenturyLink's review of the potential combination, based in part on Evercore's familiarity with CenturyLink, its deep knowledge of the telecommunications industry and the fact that Evercore would not be involved with CenturyLink's acquisition financing in connection with the proposed combination.

On October 19, 2016, Mr. Ryan advised Mr. Goff that he had provided the draft of the proposed voting agreement to STT Crossing and its counsel, Latham & Watkins LLP, which we refer to as Latham & Watkins, earlier that day, and that CenturyLink should work directly with them on the voting agreement and related matters as a potential shareholder in the combined company.

On October 19, 2016, BofA Merrill Lynch and Morgan Stanley provided CenturyLink with a revised draft of the draft term sheet in connection with CenturyLink's acquisition financing. Representatives of CenturyLink and Wachtell Lipton negotiated the terms of the proposed financing arrangements with BofA Merrill Lynch, Morgan Stanley and their legal advisors, including the terms of the definitive debt commitment letter, over the course of the subsequent twelve days.

On October 20, 2016, Wachtell Lipton and Latham & Watkins discussed the terms of the proposed voting agreement pursuant to which STT Crossing would agree to support the potential combination. During this call, Wachtell Lipton and Latham & Watkins discussed whether the rights of STT Crossing under its stockholder rights agreement with Level 3 would be preserved following the completion of the combination. Latham & Watkins expressed the expectation of STT Crossing that its registration rights and its right to representation on the Level 3 Board would be preserved in a new shareholder rights agreement to be entered into between STT Crossing and CenturyLink in connection with the execution of the merger agreement.

On October 21, 2016, the Level 3 Board held a telephonic meeting to further discuss the potential transaction. Members of Level 3 senior management and representatives of Citi and Willkie Farr also attended the meeting. The Level 3 Board and Level 3 senior management discussed the status of the due diligence review, the upcoming meeting with the rating agencies, and CenturyLink's proposed debt financing. Citi presented to the Level 3 Board its preliminary financial analyses of the proposed transaction. Representatives of Citi reviewed in detail for the Level 3

Board Citi s relationships with each of Level 3 and CenturyLink and then reviewed the

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proposed transaction terms and an assessment of the benefits and considerations of the proposed transaction. During this meeting, the Level 3 Board extensively discussed the qualifications of Citi to act as financial advisor, including Citi's experience in evaluating companies in the telecommunications industry, its reputation as a leading investment bank and the Level 3 Board's assessment of Citi's independence from CenturyLink. The Level 3 Board then authorized Level 3 senior management to formally engage Citi as financial advisor. The Level 3 Board also discussed its desire to engage a second financial advisor to deliver a fairness opinion in connection with Level 3's evaluation of the potential transaction. The Board discussed the possibility of engaging Lazard Frères & Co. LLC, which we refer to as Lazard, and authorized Level 3 management to reach out to representatives of Lazard to discuss a potential engagement. Following additional discussions, the Level 3 Board authorized Level 3 senior management and its advisors to continue to discuss the potential transaction with members of CenturyLink management and its advisors.

On October 22, 2016, the CenturyLink Board met to discuss the potential acquisition of Level 3 with CenturyLink's management and legal and financial advisors. Members of CenturyLink's management provided an update on the transaction process, including the strategic rationale and financial attractiveness of the proposed acquisition, potential transaction risks, the status of CenturyLink's due diligence review and the status of negotiations with Level 3 and STT Crossing with respect to the terms of the proposed transaction agreements. Representatives of BofA Merrill Lynch and Morgan Stanley updated the CenturyLink Board with respect to the financial analysis of the potential transaction, including the value of synergies and a preliminary view of the financial impact of the proposed acquisition for CenturyLink and its shareholders. Mr. Ewing provided an update with respect to the proposed acquisition financing, and reviewed the impact of the proposed financing on the combined company. Representatives of Evercore made a detailed presentation to the CenturyLink Board regarding its views of the proposed transaction, as well as the advantages and disadvantages of pursuing other potential strategic transactions. Representatives of BofA Merrill Lynch and Morgan Stanley provided an updated financial analysis of the proposed transaction that reflected data received from Level 3 since CenturyLink's board meeting on October 12, 2016. Following this meeting, Wachtell Lipton provided a draft of a proposed merger agreement to Willkie Farr, reflecting the terms previously discussed between the parties in connection with the preliminary term sheet.

After several weeks of exchanging data directly between the parties, on October 23, 2016, CenturyLink and Level 3 each gave the other access to a virtual data room set up by each company containing additional due diligence information with respect to each company. Also on October 23, 2016, and again on October 25, 2016 and October 27, 2016, Mr. Ewing, Mr. Koecher and other representatives of CenturyLink's management met with Mr. Patel, Mr. McCarthy and other representatives of Level 3's management to discuss the companies' respective business plans and potential risks facing each company, including pending legal matters regarding Level 3 and execution risk around business plans, long-term projections and business due diligence.

On October 24, 2016, the Level 3 Board held a telephonic meeting with members of Level 3 senior management and representatives of Willkie Farr to further discuss the proposed transaction including a review of the terms of the draft merger agreement, the status of the due diligence review and a discussion of the qualifications and retention of Lazard to act as a financial advisor of Level 3 and to deliver a fairness opinion. Representatives of Willkie Farr discussed the terms contained in the draft merger agreement, including the proposed termination fee, the required efforts to obtain regulatory approval and the composition of the continuing company's board of directors. Members of Level 3 senior management discussed the status of their due diligence review. The Level 3 Board then discussed Lazard's experience in evaluating companies in the telecommunications industry, its reputation as a leading investment bank and the Level 3 Board's assessment of Lazard's independence from CenturyLink. Thereafter, the Level 3 Board authorized Level 3 senior management to formally engage Lazard as a financial advisor.

On October 24, 2016, members of CenturyLink's management and members of Level 3's management met to review information technology functional diligence areas and on October 25, 2016, members of the companies' management

teams met to review network functional diligence areas. Also on that day,

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representatives of Wachtell Lipton and Latham & Watkins discussed the voting agreement and terms of a potential shareholder rights agreement for STT Crossing. Latham & Watkins expressed STT Crossing's interest in obtaining a right to nominate a director of the combined company for as long as STT Crossing owned at least five percent of the combined company, as well as certain of the information rights and registration rights that it currently had under its stockholder rights agreement with Level 3.

On October 26, 2016, Willkie Farr provided a revised draft of the proposed merger agreement to Wachtell Lipton. Later on October 26, 2016, the CenturyLink Board met to receive an update on the proposed transaction. Mr. Post and other members of CenturyLink's management provided an update on the transaction process, including possible financial terms, the outcome of CenturyLink's diligence efforts to date, the status of CenturyLink's negotiations with respect to debt financing for the cash portion of the consideration, and the recent diligence meetings with representatives of Level 3's management. Representatives of BofA Merrill Lynch, Morgan Stanley and Evercore reviewed with the CenturyLink Board the contemplated financial terms of the proposed combination. A representative of Wachtell Lipton reviewed various legal issues, including required regulatory approvals and the steps necessary to successfully complete the transaction. At the conclusion of this meeting, the CenturyLink Board authorized Mr. Post to make a formal offer to acquire Level 3 in a cash-and-stock transaction with aggregate consideration valued at \$66.50 per share, assuming a reference price of \$28.00 per CenturyLink share.

On the afternoon of October 27, 2016, the financial media reported speculation regarding a possible transaction between CenturyLink and Level 3, though the speculation did not provide any information regarding transaction structure or price. As a result of these media reports, the trading prices of CenturyLink's common stock and Level 3's common stock on the NYSE increased by \$2.37 to \$30.39, and \$7.23 to \$54.05, respectively, representing approximately a 8.5% and 15.4% increase, respectively, through the close of trading on October 28, 2016. Following these media reports, CenturyLink and Level 3 determined to work towards announcing the potential combination on October 31, 2016, prior to the opening of trading on the NYSE, subject to reaching agreement with respect to the remaining points under discussion between the parties.

On October 27, 2016, Mr. Post provided Mr. Storey with a written offer authorized by the CenturyLink Board. The proposed consideration was valued at \$66.50 per share of Level 3 common stock, consisting of \$26.50 in cash and \$40.00 per share in newly issued CenturyLink common stock, valued at the five-day weighted average price per share of the CenturyLink common stock on the NYSE of \$28.20 as of the close of business on October 26, 2016, which resulted in a proposed exchange ratio of 1.4184. The written offer also confirmed that such proposed combination would not be subject to any financing condition and that CenturyLink expected to have fully committed financing for the proposed combination. In addition, the written offer proposed that CenturyLink would expand the size of the CenturyLink Board to include three directors of Level 3, one of whom would be designated by STT Crossing. Later on October 27, 2016, after further discussions between Mr. Post and Mr. Storey, Mr. Post delivered an updated written offer to Mr. Storey reflecting an agreed upon exchange ratio of 1.4286 and an expansion of the size of the CenturyLink Board upon the completion of the combination to include four directors of Level 3, one of whom would be designated by STT Crossing.

On October 27, 2016, Latham & Watkins furnished Wachtell Lipton a draft of a proposed stockholder rights agreement to be entered into between STT Crossing and CenturyLink. Over the next several days, Latham & Watkins and Wachtell Lipton negotiated the terms of the voting agreement and the stockholder rights agreement. During the course of these negotiations, CenturyLink agreed that STT Crossing would have a right to nominate one director to its board for the first three annual meetings of CenturyLink following the completion of the combination, unless and until STT Crossing and its affiliates no longer beneficially own at least 85% of the CenturyLink common stock to be received by them at the completion of the combination, as more fully described under the heading *STT Crossing Voting Agreement and Shareholder Rights Agreement* *Shareholder Rights Agreement*.

Also on October 27, 2016, Mr. Goff, Mr. Ryan, Wachtell Lipton and Willkie Farr met to negotiate the terms of the proposed merger agreement. In particular, the parties discussed the termination fees provided by the draft

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merger agreement, the circumstances in which and the extent to which each of CenturyLink and Level 3 would agree to pay the expenses of the other party and the maximum amount of this expense reimbursement, the level of efforts that each party would be required to take in connection with obtaining the required regulatory approvals for completion of the proposed combination, certain provisions related to the assumption of Level 3's outstanding indebtedness and maintenance of CenturyLink's dividend policy. The parties also discussed certain representations, warranties and covenants of each of the parties.

Early on October 28, 2016, Wachtell Lipton provided a revised draft of the proposed merger agreement to Willkie Farr, reflecting the conversations between the parties on the prior day. Wachtell Lipton and Willkie Farr continued to negotiate the remaining terms of the merger agreement throughout October 29 and 30, 2016. The companies' legal advisors also negotiated drafts of the disclosure schedules to the merger agreement.

On October 29, 2016, the Level 3 Board met in person in New York, New York to review the financial analyses prepared respectively by Citi and Lazard, a detailed summary of the merger agreement and other matters related to the proposed transaction. Members of Level 3 senior management and representatives of Willkie Farr were in attendance for the entire meeting, and representatives of each of Citi and Lazard were in attendance for portions of the meeting. The Level 3 Board discussed the current status of the negotiations, including the proposed merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock. Level 3 senior management provided a detailed review of the anticipated synergies from the proposed transaction. Mr. Patel provided an overview of CenturyLink's draft debt commitment letter in connection with its financing for the transaction and the discussions with the rating agencies related to the proposed transaction and the potential effect of the proposed transaction on the ratings of the indebtedness of Level 3. At this meeting, Level 3 senior management reviewed again the strategic rationale and benefits of a transaction with CenturyLink. Representatives of Citi presented Citi's financial analysis of Level 3, CenturyLink and the proposed transaction, based on the proposed merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock, responded to questions of the Level 3 Board and indicated that Citi would be prepared to deliver a fairness opinion with respect to the transaction assuming the merger agreement was finalized on such proposed terms. Representatives of Lazard presented Lazard's financial analysis of Level 3, CenturyLink and the proposed transaction, based on the proposed merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock, responded to questions from the Level 3 Board and indicated that they expected that Lazard would be able to deliver a fairness opinion with respect to the transaction assuming the merger agreement was finalized on such proposed terms. Representatives of Willkie Farr discussed the fiduciary duties applicable to the Level 3 Board, reviewed in detail a summary of the proposed terms and conditions of the merger agreement and responded to questions from the Level 3 Board.

The CenturyLink Board met again on October 30, 2016, to consider the negotiated terms of the proposed transaction. Mr. Post and representatives of CenturyLink management updated the CenturyLink Board with respect to the proposed transaction, including an overview of the financial terms of the combination, the expected financial profile of the combined company and expected synergies, and the status of CenturyLink's debt financing. Representatives of Wachtell Lipton reviewed the material terms of the merger agreement with Level 3, the transaction documents with STT Crossing, and the financing commitment being provided by BofA Merrill Lynch and Morgan Stanley. BofA Merrill Lynch and Morgan Stanley reviewed with the CenturyLink Board their joint financial analyses of the merger consideration provided for in the proposed combination, which is summarized below in *Summary of BofA Merrill Lynch and Morgan Stanley Financial Analyses*. Evercore also reviewed its financial analysis of the merger consideration provided for in the proposed combination, which is summarized below in *Summary of Evercore Financial Analysis*. Representatives of each of CenturyLink's financial advisors, BofA Merrill Lynch, Morgan Stanley and Evercore, delivered to the CenturyLink Board an oral opinion of such firm as to the fairness, from a financial point of view, to CenturyLink of the consideration proposed to be paid to Level 3 shareholders. These opinions were

confirmed by delivery of written opinions, each dated October 30, 2016, which opinions are attached hereto as Annexes E, F and G, respectively, to the effect that, as of that date and based on and subject to various assumptions and limitations described in their

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respective opinions, the merger consideration to be paid by CenturyLink was fair, from a financial point of view, to CenturyLink, as more fully described below under the caption *Opinions of CenturyLink's Financial Advisors*. Following discussion, the CenturyLink Board (i) unanimously determined that the proposed merger agreement, the proposed voting agreement, the proposed shareholder rights agreement and the transactions contemplated thereby, including the proposed combination and the issuance of CenturyLink shares in connection with the initial merger, was in the best interests of CenturyLink and its shareholders, (ii) adopted resolutions approving the proposed merger agreement, voting agreement, shareholder rights agreement and financing commitment, and the transactions contemplated thereby, and (iii) recommended, subject to the terms and conditions in the proposed merger agreement, that CenturyLink's shareholders approve the issuance of shares in connection with the initial merger.

Later on October 30, 2016, the Level 3 Board met telephonically, with members of the Level 3 senior management and representatives of Citi, Lazard and Willkie Farr, to consider approval of the proposed transaction. Members of Level 3 senior management and the advisors reported on the proposed resolution of the items that had been discussed the previous day. Representatives of Citi provided an update since their presentation the previous day, responded to further questions from the Level 3 Board, and Citi rendered its oral opinion to the Level 3 Board, confirmed later by delivery of a separate written opinion, which opinion is attached hereto as Annex C, that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications and limitations and other matters set forth therein, Citi's experience as investment bankers, the work described in Citi's opinion and other factors deemed relevant by Citi, the merger consideration to be received by the holders of Level 3 common stock, consisting of the right to receive, for each share of Level 3 common stock, \$26.50 in cash and 1.4286 shares of CenturyLink common stock (other than with respect to shares of Level 3 common stock held by holders of Level 3 common stock that have properly perfected their rights of appraisal within the meaning of Section 262), in the initial merger was fair, from a financial point of view, to the holders of Level 3 common stock, as more fully described below under the caption

Opinions of Level 3's Financial Advisors Opinion of Citigroup Global Markets Inc. Representatives of Lazard provided an update since their presentation the previous day responded to further questions from the Level 3 Board, and Lazard rendered its oral opinion, subsequently confirmed in writing by delivery of a written opinion, dated October 30, 2016, to the Level 3 Board, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the per share merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock to be paid to Level 3 stockholders, other than holders of Level 3 common stock that have properly perfected their rights of appraisal within the meaning of Section 262 of the Delaware law, was fair, from a financial point of view, to the holders of Level 3 common stock, as more fully described below under the caption *Opinions of Level 3's Financial Advisors Opinion of Lazard Frères & Co. LLC*. Representatives of Willkie Farr reviewed again the fiduciary duties applicable to the Level 3 Board and reviewed any of the terms of the merger agreement that had changed since the meeting on October 29, 2016. After further discussion, including as to matters discussed in the section entitled *Level 3's Reasons for the Combination; Recommendation of the Level 3 Board*, the Level 3 Board unanimously determined that the merger agreement and the transactions contemplated thereby, including the combination, are fair to, advisable and in the best interests of Level 3 and its stockholders, approved the execution of the merger agreement and the voting agreement and resolved to recommend that the Level 3 stockholders approve the adoption of the merger agreement.

Following the conclusion of the Level 3 board meeting, Level 3, CenturyLink and their respective counsel finalized the transaction documentation. On October 31, 2016, Level 3 and Wells Fargo entered into the rights agreement amendment; CenturyLink executed the debt commitment letter with BofA Merrill Lynch and Morgan Stanley; CenturyLink and Level 3 executed the merger agreement; Level 3, STT Crossing and CenturyLink executed the voting agreement; and CenturyLink and STT Crossing executed the shareholder rights agreement.

Prior to the opening of the U.S. financial markets on October 31, 2016, CenturyLink and Level 3 issued a joint press release announcing the execution of the merger agreement and the related agreements and shortly thereafter the parties

held a call with investors to announce the combination.

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CenturyLink's Reasons for the Combination; Recommendation of the Stock Issuance by the CenturyLink Board

In evaluating the merger agreement and the proposal to issue shares of CenturyLink common stock in connection with the combination, the CenturyLink Board consulted with CenturyLink's management and legal and financial advisors. In connection therewith, the CenturyLink Board considered a number of factors, including the following factors which the CenturyLink Board viewed as generally supporting its decision to approve and enter into the proposed merger agreement and recommend that CenturyLink shareholders vote FOR approval of the CenturyLink stock issuance proposal.

Strategic Considerations. The CenturyLink Board believes the combination will provide a number of significant strategic benefits to the combined company, including the following:

the expansion of CenturyLink's network by 200,000 route miles of fiber, including 64,000 route miles in 350 metropolitan areas and 33,000 subsea route miles connecting multiple continents, the substantial latent capacity that is available in Level 3's networks, and the creation of a combined company with approximately 75,000 on-net buildings, including 10,000 buildings and the related complementary cost efficiencies resulting from the increased capacity and extended reach of the high-band fiber network of the combined company;

the combined company having approximately \$19 billion in pro forma business revenue and \$13 billion in business strategic revenue (in each case based on the trailing twelve months ended June 30, 2016), with over 75% of the revenue of the combined company expected to be derived from business customers together with a corresponding reduction in CenturyLink's exposure to its regulated legacy consumer business;

the expectation that the combined company will offer a broader range of services and solutions to meet customers' demand for more bandwidth and new applications in an increasingly complex operating environment better than either CenturyLink or Level 3 could achieve on a stand-alone basis;

the expectation that the combined company will have an increased opportunity to invest in broadband infrastructure and to enhance broadband transmission speed for small businesses and consumers;

the expectation that the transaction will be accretive to CenturyLink's free cash flow in the first full year following its completion and significantly accretive on an annual run-rate basis thereafter, and that the transaction will provide additional upside growth opportunities, including the ability to deploy CenturyLink's and Level 3's product portfolio across the combined customer base and expand further internationally building upon Level 3's existing international footprint; and

the proven ability of both CenturyLink and Level 3 to integrate and meet or exceed synergy targets and the expectation that the increased scale of the combined company will ultimately generate approximately \$975 million of annual run-rate cash synergies, primarily from the elimination of duplicative functions, systems

consolidation, and increased operational and capital efficiencies.

Other Factors Considered by the CenturyLink Board. In addition to considering the strategic factors described above, the CenturyLink Board considered the following additional factors, all of which it viewed as supporting its decision to approve the proposed combination:

its knowledge of CenturyLink's business, operations, financial condition, earnings and prospects on a standalone basis and of Level 3's business, operations, financial condition, earnings and prospects, taking into account the results of CenturyLink's due diligence review of Level 3;

the current and prospective competitive climate in the industry in which CenturyLink and Level 3 operate, including the potential for further consolidation and competition, and the alternatives reasonably available to CenturyLink if it did not pursue the proposed combination and the opportunities that may be available following the proposed combination;

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the significant improvement to CenturyLink's dividend payout ratio that is expected to result from the combination, which strengthens CenturyLink's ability to continue to maintain its current dividend policy;

the fact that the combined company is expected to benefit from Level 3's approximately \$9.7 billion of NOLs (as of December 31, 2015), which are expected to substantially reduce the combined company's net cash tax expense over the next several years, positioning it to generate substantial free cash flow;

the opinions of BofA Merrill Lynch, Morgan Stanley and Evercore, each dated October 30, 2016, to the CenturyLink Board, which opinions are attached hereto as Annexes E, F and G, respectively, to the effect that, as of that date and based on and subject to various assumptions and limitations described in their respective opinions, the merger consideration to be paid by CenturyLink was fair, from a financial point of view, to CenturyLink, as more fully described below under the caption *Opinions of CenturyLink's Financial Advisors* ;

the terms and conditions of the merger agreement and the voting agreement and the likelihood of completing the proposed combination on the anticipated schedule;

the provisions of the merger agreement permitting CenturyLink to terminate the merger agreement to accept a superior proposal, subject to compliance with certain procedures and payment of a termination fee;

the fact that, in the event of a termination of the merger agreement due to a change in the Level 3 Board recommendation or Level 3 accepting a superior proposal, Level 3 will pay CenturyLink a termination fee of \$737.5 million, as described under *The Merger Agreement Termination Fees and Expenses; Liability for Breach*.

the fact that the exchange ratio is fixed and will not fluctuate based upon changes in the market price of the CenturyLink common stock between the date of the merger agreement and the date of the consummation of the proposed combination, providing greater certainty to CenturyLink regarding the anticipated financial benefits of the combination; and

the expectation that the combined company will have improved adjusted EBITDA margins and revenue growth, with pro forma net leverage of less than 3.7x following the completion of the combination, including run-rate synergies.

The CenturyLink Board weighed the advantages and opportunities listed above against a number of other factors identified in its deliberations as weighing negatively against the proposed combination, including:

the challenges inherent in the combination of two businesses of the size and scope of CenturyLink and Level 3 and the cultures of each business, including the risks that integration costs may be greater than anticipated, that it may be difficult to retain key employees and that management's attention might be diverted for an

extended period of time, particularly in light of other on-going transactions, including CenturyLink's previously announced plan to divest of its data centers and colocation business;

the substantial cost of integrating the two companies, which CenturyLink projects will be approximately \$690 million (excluding transaction expenses) over the first few years after the closing;

the risk of not achieving all of the anticipated cost savings and the risk that strategic benefits and other anticipated benefits might not be realized or may take longer than expected to achieve, including the risk that a greater than anticipated number of customers of the combined company might elect to terminate or reduce their level of services with the combined company;

the amount of the consideration to be paid by CenturyLink in the proposed combination, which, based on the closing price of CenturyLink common stock on the NYSE on October 26, 2016 represented aggregate value of approximately \$66.86 per share of Level 3 common stock, or a premium of 42.5% to the closing price of Level 3 common stock October 26, 2016, the last trading day before media reports of the possibility of a transaction;

the risk that regulatory agencies may not approve the proposed combination or may impose terms and conditions on their approvals that adversely affect the financial results of the combined company (as described in *Risk Factors Risk Factors Relating to the Combination*);

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the increased leverage and commitments of the combined company, its pledge of certain collateral and its increased exposure to changes in interest rates, which, while believed to be appropriate for a company with the expected earnings profile of the combined company, could reduce CenturyLink's credit ratings, limit its access to credit markets or make such access more expensive, and reduce its operational and strategic flexibility;

the risk that the restrictive covenants contained in CenturyLink's acquisition financing and Level 3's existing indebtedness, which will remain in place following the consummation of the combination, may restrict the operational flexibility of the combined company in several respects, including its ability to (i) distribute cash from Level 3 to other entities within the combined company, (ii) enter into other transactions among wholly owned subsidiaries of the combined company, or (iii) engage in additional strategic transactions or incur additional debt;

the risk that changes in the regulatory, competitive or technological landscape may adversely affect the business benefits anticipated to result from the proposed combination; and

the risks of the type and nature described under *Risk Factors*, and the matters described under *Cautionary Statement Regarding Forward-Looking Statements*.

In view of the wide variety of factors considered in connection with its evaluation of the proposed combination and the complexity of these matters, the CenturyLink Board did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the proposed combination and the merger agreement and to make its recommendation to CenturyLink shareholders. In addition, individual members of the CenturyLink Board may have given differing weights to different factors. In reaching its determination to approve the proposed combination and the merger agreement, the CenturyLink Board conducted an overall review of the factors described above, including thorough discussions with CenturyLink's management and outside legal and financial advisors.

In considering the recommendation of the CenturyLink Board, you should be aware that certain members of the CenturyLink Board and certain executive officers of CenturyLink may be deemed to have financial interests in the combination that are in addition to, or different from, the interests of CenturyLink shareholders generally. The CenturyLink Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the combination, in approving the merger agreement, and in recommending that the shareholders approve the issuance of CenturyLink common stock to the Level 3 stockholders in connection with the combination.

The CenturyLink Board unanimously determined that the proposed combination, the merger agreement and the transactions contemplated by the merger agreement, including the issuance of CenturyLink common stock to Level 3 stockholders in connection with the combination, are in the best interests of CenturyLink and its shareholders and unanimously approved the merger agreement and the transactions contemplated by the merger agreement.

The CenturyLink Board unanimously recommends that CenturyLink shareholders vote FOR the CenturyLink stock issuance proposal and FOR the CenturyLink adjournment proposal.

Level 3's Reasons for the Combination; Recommendation of the Combination by the Level 3 Board

At a meeting held on October 30, 2016, the Level 3 Board, by a unanimous vote, determined that the combination is in the best interests of Level 3 and its stockholders, resolved that the merger agreement be submitted for consideration by the stockholders of Level 3 at a special meeting of stockholders and recommended that Level 3's stockholders vote to approve and adopt the merger agreement. In making its recommendation, the Level 3 Board consulted with its legal and financial advisors and its senior management

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team at various times, and considered a number of factors, including the following principal factors that the Level 3 Board believes support such determinations, approvals, resolutions and recommendations:

the expectation that the combination will combine CenturyLink's larger enterprise customer base with the benefits of Level 3's global footprint resulting in improved network capabilities and solidifying the position of the combined company as a world-class enterprise player with a combined presence in more than 60 countries;

the expectation that the combined company will provide substantial benefits and a broader range of services and solutions to meet the demands of both companies' customers for more bandwidth and new applications in an increasingly complex operating environment;

the fact that the implied value of the merger consideration of \$66.86, based on a per share price of CenturyLink common stock of \$28.25 (the closing price on the last trading day before media reports of the possibility of a transaction appeared), represented: (i) a premium of approximately 42.5% to the undisturbed \$46.92 price per Level 3 common stock as of the close of trading on October 26, 2016 (the last trading day before media reports of the possibility of a transaction appeared); (ii) a premium of 44.1% to the one-month average closing price per share of Level 3 common stock of \$46.38; and (iii) a premium of 39.2% to the three-month average closing price per share of Level 3 common stock of \$48.03;

CenturyLink management's estimate, which was consistent with Level 3 management's view, that the combination (i) is expected to create approximately \$975 million of annual run-rate cash synergies, and (ii) is expected to be accretive to free cash flow the first full year following closing of the combination, primarily from the elimination of duplicative functions, systems consolidation and increased operational and capital efficiencies;

the combined company is expected to benefit from Level 3's approximately \$9.7 billion of NOLs (as of December 31, 2015), which will substantially reduce the combined company's net cash expense over the next several years, positioning it to generate substantial free cash flow;

the certainty of value and liquidity to Level 3's stockholders from the fact that approximately 40% of the consideration is in cash;

the expectation that CenturyLink will maintain its annual cash dividend to holders of CenturyLink common stock;

the fact that, because Level 3 stockholders will own approximately 49% of the outstanding shares of CenturyLink common stock immediately following completion of the combination, and that such Level 3 stockholders would have the opportunity to participate in the future performance of the combined company

and the potential for further appreciation in value of CenturyLink common stock following the completion of the combination due to synergies or otherwise;

the belief, based on the analyses presented to and discussed by the Level 3 Board, that the CenturyLink common stock was reasonably valued at current trading prices;

the fact that, based on the fixed exchange ratio of 1.4286 shares of CenturyLink common stock for each Level 3 common share, the Level 3 stockholders would benefit from any increase in the trading price of CenturyLink common shares prior to completion of the combination;

the oral opinion, subsequently confirmed in writing, of Citi delivered to the Level 3 Board that, as of October 31, 2016, and based upon and subject to the factors, procedures, assumptions, qualifications and limitations contained therein, Citi's experience as investment bankers, the work described in Citi's opinion and other factors deemed relevant by Citi, the merger consideration to be received by the holders of Level 3 common stock (other than with respect to excluded shares) in the initial merger, was fair, from a financial point of view, to the holders of Level 3 common stock, as well as the related financial analyses presented by Citi to the Level 3 Board, as more fully described below in *Opinions of Level 3's Financial Advisors Opinion of Citigroup Global Markets, Inc.* ;

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the oral opinion, subsequently confirmed by a written opinion dated October 30, 2016, of Lazard delivered to the Level 3 Board that, as of October 30, 2016, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations and other matters set forth in its written opinion, the per share merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock to be paid to Level 3 stockholders, other than holders of Level 3 common stock that have perfected their rights of appraisal within the meaning of Section 262 of the Delaware law, was fair, from a financial point of view, to the holders of the outstanding shares of Level 3 common stock, as well as the related financial analyses presented by Lazard to the Level 3 Board, as more fully described below in *Opinions of Level 3's Financial Advisors Opinion of Lazard Frères & Co. LLC* ;

the potential strategic alternatives available to Level 3, including the possibility of remaining a stand-alone company in a consolidating industry, and the projected financial results of Level 3 as a stand-alone company;

the fact that the combination is expected to be treated as a reorganization within the meaning of Section 368(a) of the Code; and

the ability of Level 3 to implement employee retention and benefit arrangements to address employee retention pending completion of the combination.

The Level 3 Board also considered the likelihood that the combination would be completed, based on, among other things:

the conditions in the merger agreement to the obligations to close the combination, as well as Level 3's ability to seek specific performance to prevent breaches or threatened breaches of the merger agreement, including the ability to cause the combination to be consummated if all of the conditions to CenturyLink's obligations to effect the combination have been satisfied or waived, as described under *The Merger Agreement Specific Performance* beginning on page 141;

the absence of a financing condition in the merger agreement and the fact that CenturyLink had obtained committed debt financing for the transaction and the reputation of the financing sources;

the likelihood of obtaining regulatory approvals that are required to close the combination;

the fact that CenturyLink had agreed to use its reasonable best efforts to resolve objections, if any, as may be asserted with respect to the combination under any applicable laws or regulations;

the fact that STT Crossing, a stockholder of Level 3, had entered into the voting agreement, pursuant to which STT Crossing has agreed to vote, subject to certain exceptions, the Level 3 common stock held by it in favor of the adoption of the merger agreement;

the fact that, in the event of a termination of the merger agreement due to a change in the CenturyLink Board recommendation or CenturyLink accepting a superior proposal, CenturyLink will pay Level 3 a termination fee of \$471.5 million, as described under *The Merger Agreement Termination Fees and Expenses; Liability for Breach*.

The Level 3 Board believed, after reviewing the merger agreement with its legal advisors, that the merger agreement offered reasonable assurances as to the likelihood of consummation of the combination, did not impose unreasonable burdens on Level 3 and would not preclude a superior proposal. In this regard, the Level 3 Board particularly considered the following:

the ability of the Level 3 Board, in certain circumstances, to change its recommendation to Level 3 stockholders in favor of the combination in the event of (i) a superior proposal, where the Level 3 Board may take into account a number of factors in determining whether such offer is superior, or (ii) certain intervening events not known or reasonably foreseeable to the Level 3 Board at or prior to the time the merger agreement was entered into;

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the judgment of the Level 3 Board, that the termination fee of \$737.5 million, as described under *The Merger Agreement Termination Fees and Expenses; Liability for Breach*, payable by Level 3 to CenturyLink in the event of a termination of the merger agreement due to a change in the Level 3 Board recommendation or Level 3 accepting a superior proposal, would not preclude another party from submitting a proposal to acquire Level 3;

the ability of the Level 3 Board in certain circumstances to provide material nonpublic information to, and engage in negotiations with, a third party that makes an unsolicited acquisition proposal that would reasonably be expected to lead to a superior proposal; and

the rights of dissenting stockholders, if any, to demand to be paid the fair value of their shares of Level 3 common stock under Section 262 of the Delaware law (which we refer to as Section 262).

The Level 3 Board also weighed the factors described above against a number of risks and other factors identified in its deliberations as weighing negatively against the combination, in particular:

the fact that, because a substantial part of the merger consideration is payable in shares of CenturyLink common stock in accordance with a fixed exchange ratio, Level 3 stockholders will be adversely affected by any decrease in the trading price of CenturyLink common stock prior to completion of the combination, and may receive less value for their shares of CenturyLink common stock upon completion of the combination than calculated based on the price of the CenturyLink common stock at the time the Level 3 Board approved the merger agreement, taking into account, however, that a portion of the merger consideration is payable in cash and will not be affected by a decrease in the stock price of shares of CenturyLink common stock;

the risk that the trading price of CenturyLink common stock could be adversely impacted in the event of decreases in CenturyLink's revenue, EBITDA, profit margins or free cash flow or other factors before or after the closing of the combination;

the risk that governmental entities may not approve the combination, or may impose conditions on Level 3 or CenturyLink in order to gain approval for the combination that may adversely impact the ability of the combined business to realize the synergies that are projected to occur in connection with the combination;

risks associated with CenturyLink's and Level 3's substantial indebtedness and the anticipated need to refinance such indebtedness as it comes due;

the risk that certain key members of senior management might choose not to remain employed with the combined business after the combination, notwithstanding the potential retention plans described below;

the challenges generally inherent in combining the businesses, operations and workforces of two communications companies, including the interaction of product and service lines, sales teams, service

delivery processes, cash management processes, operating and business support systems and other critical business functions;

the fact that forecasts of future results of operations and synergies are necessarily estimates based on assumptions, and that for these and other reasons there is a risk of not realizing anticipated performance or capturing anticipated operational synergies and cost savings between Level 3 and CenturyLink and the risk that other anticipated benefits, including the utilization of the Level 3 NOLs, might not be fully realized;

the potential negative effect that the pendency of the combination, or a failure to complete the combination, could have on Level 3's business and relationships with its employees, customers and suppliers;

the restrictions on the conduct of Level 3's business prior to the completion of the combination, which may delay or prevent Level 3 from undertaking business opportunities that may arise outside the

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ordinary course of business or certain other actions it might otherwise take with respect to its operations pending completion of the combination, including financing activities;

that, under the terms of the merger agreement, Level 3 cannot solicit other acquisition proposals;

the possible impact on other potential acquirors of the termination fee of \$737.5 million that would be payable by Level 3 if it terminates the merger agreement to accept a superior proposal; and

other risks of the type and nature described under *Risk Factors* and the matters described under *Cautionary Statement Regarding Forward -Looking Statements*.

In considering the recommendation of the Level 3 Board with respect to the proposal to adopt the merger agreement, you should be aware that Level 3 directors and executive officers may have interests in the merger that are different from, or in addition to, yours. The Level 3 Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the combination, and in recommending that the merger agreement be adopted by the stockholders of Level 3. See the section entitled *Financial Interests of Level 3 Directors and Executive Officers in the Combination*.

The foregoing discussion of the information and factors considered by the Level 3 Board in reaching its conclusions and recommendations is not intended to be exhaustive, but includes the material factors considered by the directors. In view of the wide variety of factors considered in connection with its evaluation of the combination and the complexity of these matters, the Level 3 Board did not find it practicable, and did not attempt, to quantify, rank or assign any relative or specific weights to the various factors considered in reaching its determination and making its recommendation. In addition, individual directors may have given different weights to different factors. The Level 3 Board considered all of the foregoing factors as a whole and based its recommendation on the totality of the information presented.

The Level 3 Board recommends that you vote FOR the merger proposal, FOR the compensation proposal and FOR the Level 3 adjournment proposal.

Opinions of CenturyLink's Financial Advisors

Opinion of BofA Merrill Lynch

CenturyLink has retained BofA Merrill Lynch to act as CenturyLink's financial advisor in connection with the combination. BofA Merrill Lynch is an internationally recognized investment banking firm which is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes. CenturyLink selected BofA Merrill Lynch to act as CenturyLink's financial advisor in connection with the combination on the basis of BofA Merrill Lynch's experience in transactions similar to the combination, its reputation in the investment community and its familiarity with CenturyLink and its business.

On October 30, 2016, at a meeting of CenturyLink's board of directors held to evaluate the combination, BofA Merrill Lynch delivered to CenturyLink's board of directors an oral opinion, which was confirmed by delivery of a written opinion dated October 30, 2016, to the effect that, as of the date of the opinion and based on and subject to various assumptions and limitations described in its opinion, the merger consideration to be paid by CenturyLink was fair,

from a financial point of view, to CenturyLink.

The full text of BofA Merrill Lynch's written opinion to CenturyLink's board of directors, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex E to this document. The following summary of BofA Merrill Lynch's opinion is qualified in its entirety by reference to the full text of the opinion, which is incorporated herein by reference. BofA Merrill Lynch delivered its opinion to CenturyLink's board of directors for the benefit and use of

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CenturyLink's board of directors (in its capacity as such) in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. BofA Merrill Lynch's opinion does not address any other aspect of the combination and no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. BofA Merrill Lynch's opinion does not address any other aspect of the combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed combination or any related matter.

In connection with rendering its opinion, BofA Merrill Lynch:

reviewed certain publicly available business and financial information relating to Level 3 and CenturyLink;

reviewed certain financial and operating information with respect to the business, operations and prospects of Level 3 furnished to or discussed with BofA Merrill Lynch by the management of Level 3, including certain financial forecasts relating to Level 3 prepared by the management of Level 3, described below under *Certain Forecasts Prepared by Level 3*, which we refer to as the Level 3 forecasts;

reviewed and discussed with the management of CenturyLink and Level 3 certain estimates of the net operating losses of Level 3 (the NOLs) prepared by the management of Level 3 to be utilized after giving effect to the combination in accordance with pro forma utilization estimates prepared by or at the direction of and approved by CenturyLink management;

reviewed certain internal financial and operating information with respect to the business, operations and prospects of CenturyLink furnished to or discussed with BofA Merrill Lynch by the management of CenturyLink, including certain financial forecasts relating to CenturyLink prepared by the management of CenturyLink, as described below under *Certain Forecasts Prepared by CenturyLink*, which we refer to as the CenturyLink forecasts;

reviewed certain estimates as to the amount and timing of cost savings and operational synergies and the costs of achieving such synergies (collectively, the Synergies) anticipated by the management of CenturyLink to result from the combination;

discussed the past and current business, operations, financial condition and prospects of Level 3 with members of senior managements of Level 3 and CenturyLink, and discussed the past and current business, operations, financial condition and prospects of CenturyLink with members of senior management of CenturyLink;

reviewed the potential pro forma financial impact of the combination on the future financial performance of CenturyLink, including the potential effect on CenturyLink's estimated free cash flow per share;

reviewed the trading histories for Level 3 common stock and CenturyLink common stock and a comparison of such trading histories with the trading histories of other companies BofA Merrill Lynch deemed relevant;

compared certain financial and stock market information of Level 3 and CenturyLink with similar information of other companies BofA Merrill Lynch deemed relevant;

compared certain financial terms of the combination to financial terms, to the extent publicly available, of other transactions BofA Merrill Lynch deemed relevant;

reviewed a draft, dated October 30, 2016, of the merger agreement (the Draft Agreement); and

performed such other analyses and studies and considered such other information and factors as BofA Merrill Lynch deemed appropriate.

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In arriving at its opinion, BofA Merrill Lynch assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with it and relied upon the assurances of the managements of CenturyLink and Level 3 that they were not aware of any facts or circumstances that would make such information or data inaccurate or misleading in any material respect. With respect to the Level 3 forecasts and the NOLs, BofA Merrill Lynch was advised by Level 3, and assumed, with the consent of CenturyLink, that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of Level 3 as to the future financial performance of Level 3, the utilization of NOLs by Level 3 and the other matters covered thereby. With respect to the CenturyLink forecasts and the Synergies, BofA Merrill Lynch assumed, at the direction of CenturyLink, that they were 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 the other matters covered thereby. BofA Merrill Lynch relied, at the direction of CenturyLink, on the assessments of the management of CenturyLink as to CenturyLink's ability to achieve the Synergies and to utilize the NOLs and was advised by CenturyLink, and assumed, that the Synergies and the NOLs would be realized or utilized in the amounts and at the times projected. BofA Merrill Lynch did not make or was not provided with any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Level 3 or CenturyLink, nor did it make any physical inspection of the properties or assets of Level 3 or CenturyLink. BofA Merrill Lynch did not evaluate the solvency or fair value of Level 3 or CenturyLink under any state, federal or other laws relating to bankruptcy, insolvency or similar matters. BofA Merrill Lynch assumed, at the direction of CenturyLink, that the combination would be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary governmental, regulatory and other approvals, consents, releases and waivers for the combination, no delay, limitation, restriction or condition, including any divestiture requirements or amendments or modifications, would be imposed that would have an adverse effect on Level 3, CenturyLink or the contemplated benefits of the combination in any respect material to BofA Merrill Lynch's opinion. BofA Merrill Lynch also has assumed, at the direction of CenturyLink, that the final executed merger agreement would not differ in any material respect from the Draft Agreement reviewed by BofA Merrill Lynch.

BofA Merrill Lynch expressed no view or opinion as to any terms or other aspects of the combination (other than the merger consideration to the extent expressly specified in its opinion), including, without limitation, the form or structure of the combination. BofA Merrill Lynch's opinion was limited to the fairness, from a financial point of view, to CenturyLink of the merger consideration to be paid in the combination and no opinion or view was expressed with respect to any consideration received in connection with the combination by, or the impact of the combination on, the holders of any class of securities, creditors or other constituencies of any party. In addition, no opinion or view was expressed with respect to the fairness (financial or otherwise) of the amount, nature or any other aspect of any compensation to any of the officers, directors or employees of any party to the combination, or class of such persons, relative to the merger consideration. Furthermore, no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. BofA Merrill Lynch did not express any opinion as to what the value of CenturyLink common stock actually would be when issued or the prices at which Level 3 common stock or CenturyLink common stock would trade at any time, including following announcement or consummation of the combination. In addition, BofA Merrill Lynch expressed no opinion or recommendation as to how any shareholder should vote or act in connection with the combination or any related matter. Except as described above, CenturyLink imposed no other limitations on the investigations made or procedures followed by BofA Merrill Lynch in rendering its opinion.

BofA Merrill Lynch's opinion was necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to BofA Merrill Lynch as of, the date of its opinion. It should be understood that subsequent developments may affect its opinion, and BofA

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Merrill Lynch does not have any obligation to update, revise or reaffirm its opinion. The issuance of BofA Merrill Lynch's opinion was approved by a fairness opinion review committee of BofA Merrill Lynch.

CenturyLink has agreed to pay BofA Merrill Lynch for its services in connection with the combination an aggregate fee of \$35.0 million, \$3.0 million of which was payable in connection with its opinion and \$32.0 million of which is contingent upon the completion of the combination. CenturyLink also has agreed to reimburse BofA Merrill Lynch for its expenses incurred in connection with BofA Merrill Lynch's engagement and to indemnify BofA Merrill Lynch, any controlling person of BofA Merrill Lynch and each of their respective directors, officers, employees, agents and affiliates against specified liabilities, including liabilities under the federal securities laws.

BofA Merrill Lynch and its affiliates comprise a full service securities firm and commercial bank engaged in securities, commodities and derivatives trading, foreign exchange and other brokerage activities, and principal investing as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of companies, governments and individuals. In the ordinary course of their businesses, BofA Merrill Lynch and its affiliates may invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in equity, debt or other securities or financial instruments (including derivatives, bank loans or other obligations) of CenturyLink, Level 3 and certain of their respective affiliates.

BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to CenturyLink and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted or acting as financial adviser to CenturyLink in connection with a sale of certain assets, (ii) having acted or acting as co-lead arranger and book runner for, and as a lender under, CenturyLink's revolving credit facility, (iii) having acted or acting as a book runner on multiple debt offerings of CenturyLink and certain of its affiliates, (iv) having provided or providing certain derivatives and foreign exchange trading services to CenturyLink, and (v) having provided or providing certain treasury and trade management services and products to CenturyLink. From October 1, 2014 through September 30, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from CenturyLink and its affiliates of approximately \$15 million for investment and corporate banking services.

In addition, BofA Merrill Lynch and its affiliates in the past have provided, currently are providing, and in the future may provide, investment banking, commercial banking and other financial services to Level 3 and certain of its affiliates and have received or in the future may receive compensation for the rendering of these services, including (i) having acted as financial advisor to Level 3 in connection with an acquisition, (ii) having acted or acting as administrative agent, co-lead arranger and book runner for, and as a lender under, a credit facility of an affiliate of Level 3, (iii) having acted or acting as a book runner on multiple debt offerings of Level 3 and certain of its affiliates, (iv) having provided or providing certain foreign exchange trading services to Level 3, and (v) having provided or providing certain treasury and trade management services and products to Level 3. From October 1, 2014 through September 30, 2016, BofA Merrill Lynch and its affiliates derived aggregate revenues from Level 3 and its affiliates of approximately \$45 million for investment and corporate banking services.

Opinion of Morgan Stanley

CenturyLink retained Morgan Stanley to provide it with financial advisory services and a financial opinion in connection with a possible acquisition of Level 3. CenturyLink selected Morgan Stanley to act as its financial advisor based on Morgan Stanley's qualifications, expertise and reputation. At the meeting of the CenturyLink Board on October 30, 2016, Morgan Stanley rendered its oral opinion, subsequently confirmed in writing, that, as of October

30, 2016, based upon and subject to the various considerations set forth in the opinion, the

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consideration to be paid by CenturyLink pursuant to the merger agreement was fair from a financial point of view to CenturyLink.

The full text of the written opinion, dated October 30, 2016, of Morgan Stanley, which describes, among other things, the assumptions made, procedures followed, factors considered and limitations on the review undertaken, is attached as Annex F to this document. The following summary of Morgan Stanley's opinion is qualified in its entirety by reference to the full text of the opinion, which is incorporated herein by reference. **Morgan Stanley provided its opinion to CenturyLink's board of directors (in its capacity as such) for the benefit and use of CenturyLink's board of directors in connection with and for purposes of its evaluation of the merger consideration from a financial point of view. Morgan Stanley's opinion does not address any other aspect of the combination and no opinion or view was expressed as to the relative merits of the combination in comparison to other strategies or transactions that might be available to CenturyLink or in which CenturyLink might engage or as to the underlying business decision of CenturyLink to proceed with or effect the combination. Morgan Stanley's opinion does not address any other aspect of the combination and does not constitute a recommendation to any stockholder as to how to vote or act in connection with the proposed combination or any related matter.**

In connection with rendering its opinion, Morgan Stanley, among other things:

reviewed certain publicly available financial statements and other business and financial information of Level 3 and CenturyLink, respectively;

reviewed certain internal financial statements and other financial and operating data concerning Level 3 and the CenturyLink, respectively;

reviewed certain financial projections prepared by the managements of Level 3 and CenturyLink, respectively;

reviewed information relating to certain strategic, financial and operational benefits anticipated from the combination, prepared by the managements of Level 3 and CenturyLink, respectively;

discussed the past and current operations and financial condition and the prospects of Level 3, including information relating to certain strategic, financial and operational benefits anticipated from the combination, with senior executives of Level 3;

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 combination, with senior executives CenturyLink;

reviewed the pro forma impact of the combination on CenturyLink's cash flow, consolidated capitalization and certain financial ratios;

reviewed the reported prices and trading activity for the Level 3 common stock and the CenturyLink common stock;

compared the financial performance of Level 3 and CenturyLink and the prices and trading activity of the Level 3 common stock and the CenturyLink common stock with that of certain other publicly-traded companies that we deemed to be comparable with Level 3 and CenturyLink, respectively, and their securities;

reviewed the financial terms, to the extent publicly available, of certain comparable acquisition transactions;

participated in certain discussions and negotiations among representatives of Level 3 and CenturyLink and their financial and legal advisors;

reviewed the merger agreement, the draft commitment letter from certain lenders substantially in the form of the draft dated October 31, 2016, which we refer to as the commitment letter, and certain related documents; and

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performed such other analyses, reviewed such other information 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 available to it by Level 3 and CenturyLink, and that formed a substantial basis for its opinion. With respect to the financial forecasts, including information relating to certain strategic, financial and operational benefits anticipated from the merger, Morgan Stanley assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the respective managements of Level 3 and CenturyLink of the future financial performance of Level 3 and CenturyLink. Morgan Stanley relied upon, without independent verification, the assessment by the managements of Level 3 and CenturyLink of: (i) the strategic, financial and other benefits expected to result from the combination; (ii) the timing and risks associated with the integration of CenturyLink and Level 3; (iii) the ability to retain key employees of CenturyLink and Level 3, respectively; and (iv) the validity of, and risks associated with, CenturyLink's and Level 3's existing and future technologies, intellectual property, products, services and business models. In addition, Morgan Stanley assumed that the combination will be consummated in accordance with the terms set forth in the merger agreement without any material 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, and that CenturyLink will obtain financing in accordance with the terms set forth in the commitment letter, and that the merger agreement would not differ in any material respect from the draft furnished to Morgan Stanley on October 30, 2016. Morgan Stanley assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents required for the combination, 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 proposed combination. Morgan Stanley is not a legal, tax, or regulatory advisor. Morgan Stanley is a financial advisor only and relied upon, without independent verification, the assessments of Level 3 and CenturyLink and their legal, tax, or regulatory advisors with respect to legal, tax or regulatory matters. Morgan Stanley expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of Level 3's officers, directors or employees, or any class of such persons, relative to the consideration to be paid to the holders of shares of Level 3 common stock in the combination. Morgan Stanley did not make any independent valuation or appraisal of the assets or liabilities of Level 3 or CenturyLink, nor was it furnished with any such valuations or 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 it as of, the date of its opinion. Events occurring after the date of Morgan Stanley's opinion may affect the 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 combination by the CenturyLink Board, 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 CenturyLink or Level 3. 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 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.

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Morgan Stanley conducted the analyses described in the section below captioned *Summary of BofA Merrill Lynch and Morgan Stanley Financial Analyses* solely as part of its analysis of the fairness of the merger consideration pursuant to the merger agreement from a financial point of view to CenturyLink and in connection with the delivery of its opinion to the CenturyLink Board. These analyses do not purport to be appraisals or to reflect the prices at which CenturyLink common stock might actually trade.

The merger consideration was determined through arm's-length negotiations between CenturyLink and Level 3 and was approved by the CenturyLink Board. Morgan Stanley provided advice to CenturyLink during these negotiations. Morgan Stanley did not, however, recommend any specific merger consideration to CenturyLink or that any specific merger consideration constituted the only appropriate merger consideration for the combination.

Morgan Stanley's opinion and its presentation to the CenturyLink Board was one of many factors taken into consideration by the CenturyLink Board in deciding to approve, adopt and authorize the merger agreement. Consequently, the analyses as described below should not be viewed as determinative of the view of the CenturyLink Board with respect to the merger consideration or of whether the CenturyLink Board would have been willing to agree to a different merger consideration. 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 CenturyLink, Level 3, or any other company, or any currency or commodity, that may be involved in the combination, or any related derivative instrument.

As compensation for its services, CenturyLink has agreed to pay Morgan Stanley a fee of \$15 million in the aggregate, \$3 million of which was payable upon execution of the merger agreement and \$12 million of which is contingent upon the consummation of the combination. CenturyLink has also agreed to reimburse Morgan Stanley for its expenses incurred in performing its services. In addition, one or more of Morgan Stanley's affiliates are providing financing services related to the combination to CenturyLink and will receive compensation related to those services. In the two years prior to the date hereof, Morgan Stanley has provided financial advisory and financing services for Level 3 and for CenturyLink, for which it has received aggregate fees of approximately \$9 million and \$7 million, respectively. Morgan Stanley may also seek to provide financial advisory and financing services to CenturyLink and Level 3 and their respective affiliates in the future and expects to receive fees for the rendering of these 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.

Summary of BofA Merrill Lynch and Morgan Stanley Financial Analyses

The discussion set forth below in the sections entitled *Level 3 Financial Analyses* and *CenturyLink Financial Analyses* represents a brief summary of the material financial analyses presented by BofA Merrill Lynch and Morgan Stanley to CenturyLink's board of directors in connection with their respective opinions. The financial analyses summarized below include information presented in tabular format. In order to fully understand the financial analyses performed by BofA Merrill Lynch and Morgan Stanley, the tables must be read together with the text of each summary. The

tables alone do not constitute a complete description of the financial

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analyses performed by BofA Merrill Lynch or Morgan Stanley. Considering the data set forth 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 the financial analyses performed by BofA Merrill Lynch or Morgan Stanley.

Level 3 Financial Analyses

Selected Publicly Traded Companies Analysis. BofA Merrill Lynch and Morgan Stanley reviewed publicly available financial and stock market information for Level 3 and the following two publicly traded companies in the telecommunications industry:

Zayo Group Holdings, Inc.

Cogent Communications Holdings, Inc.

BofA Merrill Lynch and Morgan Stanley reviewed, among other things, enterprise values of the selected publicly traded companies, calculated as equity values based on closing stock prices on October 26, 2016, plus debt, less cash, as a multiple of calendar year 2017 forecasted earnings before interest, taxes, depreciations and amortization, commonly referred to as EBITDA. The EBITDA multiples (excluding stock based compensation) observed for the selected publicly traded companies for calendar years 2016 and 2017 ranged from 11.2x to 12.7x (with a median of 12.0x) and 10.5x to 11.2x (with a median of 10.8x), respectively. BofA Merrill Lynch and Morgan Stanley then applied selected ranges of calendar year 2017 EBITDA multiples of 8.5x to 10.5x derived from the selected publicly traded companies to Level 3's calendar year 2017 estimated EBITDA excluding stock based compensation. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of Level 3 were based on the Level 3 forecasts as directed for use by CenturyLink management. This analysis indicated the following approximate implied per share equity value reference ranges for Level 3, rounded to the nearest \$0.25, as compared to the merger consideration:

Implied 2017E EBITDA Per Share		Unaffected Share Price	
Equity Value Reference Range for Level 3		Merger Consideration	at October 26, 2016
\$45.00	\$61.50	\$66.50	\$46.92

The merger consideration of \$66.50 per share of CenturyLink common stock was calculated based on \$26.50 cash consideration and an implied share consideration value of \$40.00 per share of Level 3 common stock, obtained by multiplying the exchange ratio in the merger agreement of 1.4286 of a share of CenturyLink common stock for each share of Level 3 common stock by a reference share price of \$28.00.

No company used in this analysis is identical or directly comparable to Level 3. In evaluating comparable companies, BofA Merrill Lynch and Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Level 3, such as the impact of competition on the businesses of Level 3 and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of Level 3 or the industry or in the financial markets in general. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in

financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which Level 3 was compared.

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Selected Precedent Transactions Analysis. BofA Merrill Lynch and Morgan Stanley reviewed, to the extent publicly available, financial information relating to the following four selected transactions involving companies in the telecommunications industry:

Acquiror	Target
Lightower Fiber Networks LLC	Fibertech Networks LLC
Level 3 Communications, Inc.	tw telecom inc.
Berkshire Partners LLC	Lightower Fiber Networks LLC
Zayo Group Holdings, Inc.	AboveNet, Inc.

BofA Merrill Lynch and Morgan Stanley reviewed transaction values, calculated as the enterprise value implied for the target company based on the consideration payable in the selected transaction, as a multiple of the target company's last twelve months EBITDA, commonly referred to as LTM EBITDA. The LTM EBITDA multiples observed for the selected transactions ranged from 10.5x to 13.2x (with a mean of 12.1x and a median of 12.5x), in each case excluding synergies. BofA Merrill Lynch and Morgan Stanley then applied LTM EBITDA multiples of 11.0x to 13.0x derived from the selected transactions to Level 3's September 30, 2016 estimated LTM EBITDA excluding stock based compensation. Estimated financial data of the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. Estimated financial data of Level 3 were based on publicly available information at October 26, 2016 and information provided by Level 3 management as directed for use by CenturyLink management. This analysis indicated the following approximate implied per share equity value reference ranges for Level 3, as compared to the merger consideration:

Implied 2016E LTM EBITDA Per Share Equity Value Reference Range for Level 3	Merger Consideration	Unaffected Share Price at October 26, 2016
\$59.00 \$74.50	\$66.50	\$46.92

No company, business or transaction used in this analysis is identical or directly comparable to Level 3 or the combination. In evaluating the precedent transactions, BofA Merrill Lynch and Morgan Stanley made judgments and assumptions with regard to general business, market and financial conditions and other matters, which are beyond the control of CenturyLink and Level 3, such as the impact of competition on the business of CenturyLink, Level 3 or the industry generally, industry growth and the absence of any adverse material change in the financial condition of CenturyLink, Level 3 or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the acquisition or other values of the companies, business segments or transactions to which Level 3 and the combination were compared.

Discounted Cash Flow Analysis. BofA Merrill Lynch and Morgan Stanley performed a discounted cash flow analysis excluding synergies of Level 3 to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Level 3 was forecasted to generate during Level 3's fourth fiscal quarter of 2016 and fiscal years 2017 through 2021 based on the Level 3 forecasts, as reflected below.

	Q4 2016E	2017E	2018E	2019E	2020E	2021E
<u>Unlevered Free Cash Flow</u>	\$222 million	\$960 million	\$1,166 million	\$1,336 million	\$1,497 million	\$1,650 million

BofA Merrill Lynch and Morgan Stanley calculated terminal values for Level 3 by applying terminal multiples ranging from 8.0x to 10.0x to Level 3's 2021 estimated EBITDA. The cash flows and terminal values were then discounted to present value as of September 30, 2016 using discount rates ranging from 6.25% to 8.00%, which were based on estimates of Level 3's weighted average cost of capital by BofA Merrill Lynch and Morgan Stanley. BofA Merrill Lynch and Morgan Stanley also performed a discounted cash flow analysis of the

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Synergies to calculate the present value of the after-tax Synergies that CenturyLink forecasted would be generated during the five years following closing of the combination and of the terminal value of the Synergies by applying perpetuity growth rates ranging from -0.50% to 0.50% to the after-tax free cash flows for the fifth year following closing of the combination. The cash flows and terminal values were discounted to present value as of September 30, 2016 using discount rates ranging from 5.88% to 7.50%, which were based on an average of discount rate ranges for Level 3 and CenturyLink. BofA Merrill Lynch and Morgan Stanley also calculated the estimated present value of the NOLs that Level 3 forecasted would be utilized during calendar years 2017 through 2032 based on a projected NOL balance of \$9.6 billion as of December 31, 2016, as directed for use by CenturyLink management. The NOLs were then discounted to present value as of December 31, 2016 using discount rates ranging from 6.25% to 8.00%. This analysis indicated the following approximate implied per share equity value reference ranges for Level 3, rounded to the nearest \$0.25, as compared to the merger consideration:

Implied Per Share Equity Value Reference Range for Level 3 (Stand-alone basis including the present value of NOLs)	Implied Per Share Equity Value Reference Range for Level 3 (Including mid-point value of Synergies and the present value of NOLs)		Merger Consideration	Unaffected Share Price at October 26, 2016
\$54.00 \$76.25	\$76.25	\$100.75	\$66.50	\$46.92

CenturyLink Financial Analyses

Selected Publicly Traded Companies Analysis. BofA Merrill Lynch and Morgan Stanley reviewed publicly available financial and stock market information for CenturyLink and the following three publicly traded companies in the telecommunications industry:

Frontier Communications Corporation

Cincinnati Bell Inc.

FairPoint Communications, Inc.

BofA Merrill Lynch and Morgan Stanley reviewed, among other things, enterprise values of the selected publicly traded companies, calculated as equity values based on closing stock prices on October 26, 2016, plus debt, less cash, as a multiple of EBITDA. The EBITDA multiples (including stock based compensation) observed for the selected publicly traded companies for calendar years 2016 and 2017 ranged from 5.2x to 6.2x (with a median of 5.8x) and 5.2x to 6.2x (with a median of 6.0x), respectively. BofA Merrill Lynch and Morgan Stanley then applied selected ranges of calendar year 2017 EBITDA multiples of 5.0x to 6.0x derived from the selected publicly traded companies to CenturyLink's calendar year 2017 estimated EBITDA including stock based compensation. Estimated financial data of the selected publicly traded companies were based on publicly available research analysts' estimates, and estimated financial data of CenturyLink were based on the CenturyLink forecasts. This analysis indicated the following

approximate implied per share equity value reference range for CenturyLink, rounded to the nearest \$0.25, as compared to the closing price of CenturyLink on October 26, 2016:

Implied 2017E EBITDA Per Share Equity

Closing Trading Price of CenturyLink

Value Reference Range for CenturyLink

Common Stock on October 26, 2016

\$24.00 \$35.25

\$28.25

No company used in this analysis is identical or directly comparable to CenturyLink. In evaluating comparable companies, BofA Merrill Lynch and Morgan Stanley made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CenturyLink, such as the impact of competition on the businesses of CenturyLink and the industry generally, industry growth and the absence of any adverse material change in the financial condition and prospects of CenturyLink or the industry or in the financial markets in general. Accordingly, an evaluation of the results of this analysis is not entirely mathematical. Rather, this analysis

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involves complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the public trading or other values of the companies to which CenturyLink was compared.

Discounted Cash Flow Analysis. BofA Merrill Lynch and Morgan Stanley performed a discounted cash flow analysis of CenturyLink to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that CenturyLink was forecasted to generate during CenturyLink's fourth fiscal quarter 2016 and fiscal years 2017 through 2021 based on the CenturyLink forecasts, as reflected below.

	Q4 2016PF	2017E	2018E	2019E	2020E	2021E
<u>Unlevered Free Cash Flow</u>	\$ 130 million	\$ 1,518 million	\$ 1,614 million	\$ 1,619 million	\$ 1,788 million	\$ 1,954 million

BofA Merrill Lynch and Morgan Stanley calculated terminal values for CenturyLink by applying terminal multiples ranging from 5.0x to 6.0x to CenturyLink's 2021 estimated EBITDA. The cash flows and terminal values were then discounted to present value as of September 30, 2016 using discount rates ranging from 5.50% to 7.00%, which were based on estimates of CenturyLink's weighted average cost of capital by BofA Merrill Lynch and Morgan Stanley. This analysis indicated the following approximate implied per share equity value reference ranges for CenturyLink, rounded to the nearest \$0.25, as compared to the closing price of CenturyLink common stock on October 26, 2016:

Implied Per Share Equity Value	Closing Trading Price of CenturyLink
Reference Range for CenturyLink	Common Stock on October 26, 2016
\$22.50 - \$35.50	\$28.25

Has/Gets Analysis. BofA Merrill Lynch and Morgan Stanley also performed a has/gets analysis to calculate the theoretical change in value for CenturyLink shareholders resulting from the combination based on their pro forma ownership of CenturyLink common stock resulting from the combination as compared to their ownership of CenturyLink common stock on a standalone basis, based on the discounted cash flow analyses for each of Level 3 and CenturyLink described above under *Discounted Cash Flow Analysis*.

BofA Merrill Lynch and Morgan Stanley calculated the implied per share equity values for CenturyLink on a standalone basis using (a) the high end of the implied equity value reference range (being a terminal multiple of 6.0x and a discount rate of 5.50%), (b) the midpoint of the implied equity value reference range (being a terminal multiple of 5.5x and a discount rate of 6.25%) and (c) the low end of the implied equity value reference range (being a terminal multiple of 5.0x and a discount rate of 7.00%).

BofA Merrill Lynch and Morgan Stanley then calculated the implied pro forma per share equity values for CenturyLink resulting from the combination using (a) the high end of the implied enterprise value reference range for CenturyLink on a standalone basis (being a terminal multiple of 6.0x and a discount rate of 5.50%) plus the low end of the implied enterprise value reference range for Level 3 on a standalone basis (being a terminal multiple of 8.0x and a discount rate of 8.00%), (b) the midpoint of the implied enterprise value reference ranges for CenturyLink (being a terminal multiple of 5.5x and a discount rate of 6.25%) plus the midpoint of the implied enterprise value reference ranges for Level 3 (being a terminal multiple of 9.0x and a discount rate of 7.13%) and (c) the low end of the implied enterprise value reference range for CenturyLink (being a terminal multiple of 5.0x and a discount rate of 7.00%) plus

the high end of the implied enterprise value reference range for Level 3 (being a terminal multiple of 10.0x and a discount rate of 6.25%), in each case inclusive of NOLs, the present value of the after-tax Synergies that CenturyLink management forecasted would be generated during the five year period from consummation of the combination (in the case of years one through five adjusted for incremental integration costs, being the total transaction integration costs less existing CenturyLink integration costs as directed by CenturyLink management) and applying the low, medium and high perpetuity growth rates of -0.50%, 0.00% and 0.50% and the high, medium and low discount rates of 7.50%, 6.69% and 5.88%, respectively to the terminal year after-tax free cash flows, and adjusted for incremental net debt used to fund the combination (being the net debt of each of CenturyLink and Level 3 plus incremental debt as of September 30, 2016).

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This analysis indicated the following approximate implied per share equity value reference range for CenturyLink on a standalone basis as compared to the implied per equity value reference range on a pro forma basis:

	High CenturyLink/ Low Level 3	Mid	Low CenturyLink/ High Level 3
Implied Per Share Equity Value (Stand-alone basis)	\$ 35.50	\$ 28.75	\$ 22.50
Implied Pro Forma Per Share Equity Value (including Synergies and present value of NOLs)	\$ 33.00	\$ 34.75	\$ 37.25
% Premium to Implied Per Share Equity Value for CenturyLink on Stand-alone basis	(7.0%)	20.9%	65.6%

Other Factors

In rendering its opinion, BofA Merrill Lynch and Morgan Stanley also noted certain additional factors that were not considered part of BofA Merrill Lynch's and Morgan Stanley's material financial analyses with respect to their respective opinions but were referenced for informational purposes, including, among other things, the following:

historical trading prices and trading volumes of Level 3 common stock during the one-year period ended October 26, 2016, which reflected low and high closing prices for Level 3 common stock during such period of \$42.74 and \$57.18;

historical trading prices and trading volumes of CenturyLink common stock during the one-year period ended October 26, 2016, which reflected low and high closing prices for CenturyLink common stock during such period of \$22.24 and \$32.80;

a range of publicly available research analysts' one year forward price targets \$54.00 to \$63.00 for Level 3 discounted to October 26, 2016, 2016 at a 9.25% cost of equity that showed per share equity values of \$49.50 to \$57.75 per share for Level 3 common stock; and

a range of publicly available research analysts' one year forward price targets \$24.00 to \$42.00 for CenturyLink discounted to October 26, 2016, 2016 at a 7.75% cost of equity that showed per share equity values of \$22.25 to \$39.00 per share for CenturyLink common stock.

BofA Merrill Lynch and Morgan Stanley also reviewed the potential pro forma financial effect of the combination on CenturyLink's calendar years 2018 through 2021 estimated FCF per share of CenturyLink common stock (FCFPS). Estimated financial data of CenturyLink were based on the CenturyLink forecasts and estimated financial data of Level 3 were based on the Level 3 forecasts as directed for use by CenturyLink management. Based on the merger consideration, this analysis indicated that the combination could be accretive to CenturyLink's estimated FCFPS for calendar years 2018 through 2021. The actual results achieved by the combined company may vary from projected results and the variations may be material.

Miscellaneous

As noted above, the discussion set forth above in the sections entitled *Level 3 Financial Analyses* and *CenturyLink Financial Analyses* is a summary of the material financial analyses presented by BofA Merrill Lynch and Morgan Stanley to CenturyLink's board of directors in connection with their respective opinions and is not a comprehensive description of all analyses undertaken by BofA Merrill Lynch or Morgan Stanley in connection with their respective opinions. The preparation of a financial opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a financial opinion is not readily susceptible to partial analysis or summary description. BofA Merrill Lynch and Morgan Stanley believe that their analyses summarized above must be considered as a whole. BofA Merrill Lynch and Morgan Stanley further

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believe that selecting portions of their analyses and the factors considered or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying BofA Merrill Lynch's or Morgan Stanley's respective analyses and opinions. The fact that any specific analysis has been referred to in the summary above is not meant to indicate that such analysis was given greater weight than any other analysis referred to in the summary.

In performing their respective analyses, BofA Merrill Lynch and Morgan Stanley considered industry performance, general business and economic conditions and other matters, many of which are beyond the control of CenturyLink and Level 3. The estimates of the future performance of CenturyLink and Level 3 in or underlying BofA Merrill Lynch's and Morgan Stanley's respective analyses are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those estimates or those suggested by BofA Merrill Lynch's and Morgan Stanley's respective analyses. These analyses were prepared solely as part of BofA Merrill Lynch's and Morgan Stanley's respective analyses of the fairness, from a financial point of view, of the merger consideration and were provided to CenturyLink's board of directors in connection with the delivery of BofA Merrill Lynch's and Morgan Stanley's respective opinions. The analyses do not purport to be appraisals or to reflect the prices at which a company might actually be sold or the prices at which any securities have traded or may trade at any time in the future. Accordingly, the estimates used in, and the ranges of valuations resulting from, any particular analysis described above are inherently subject to substantial uncertainty and should not be taken to be BofA Merrill Lynch's or Morgan Stanley's view of the actual values of CenturyLink or Level 3.

The type and amount of consideration payable in the combination was determined through negotiations between CenturyLink and Level 3, rather than by any financial advisor, and was approved by CenturyLink's board of directors. The decision to enter into the merger agreement was solely that of CenturyLink's board of directors. As described above, BofA Merrill Lynch's and Morgan Stanley's respective opinions and analyses were only one of many factors considered by CenturyLink's board of directors in its evaluation of the proposed combination and should not be viewed as determinative of the views of CenturyLink's board of directors or management with respect to the combination or the merger consideration.

Opinion of Evercore Group L.L.C.

In connection with the combination, CenturyLink retained Evercore to act as a financial advisor to CenturyLink and the CenturyLink Board. As part of this engagement, CenturyLink requested that Evercore evaluate the fairness of the merger consideration, from a financial point of view, to CenturyLink. On October 30, 2016, at a meeting of the CenturyLink Board, Evercore rendered its oral opinion, subsequently confirmed by delivery of a written opinion that, based upon and subject to the factors, procedures, assumptions, qualifications and limitations set forth in its opinion, as of such date, the merger consideration was fair, from a financial point of view, to CenturyLink.

The full text of the written opinion of Evercore, dated as of October 30, 2016, which sets forth, among other things, the procedures followed, assumptions made, matters considered and qualifications and limitations on the scope of review undertaken in rendering its opinion, is attached as Annex G to this joint proxy statement/prospectus. The following summary of Evercore's opinion is qualified in its entirety by reference to the full text of the opinion, which is incorporated herein by reference. **You are urged to read Evercore's opinion carefully and in its entirety. Evercore's opinion was addressed to, and provided for the information and benefit of, the CenturyLink Board (in its capacity as such) in connection with its evaluation of the merger consideration from a financial point of view and did not address any other aspects or implications of the combination. The opinion does not constitute a recommendation to the CenturyLink Board or to any other persons in respect of the combination, including as to how any holder of shares of CenturyLink common stock or Level 3 common stock should vote or act in respect of the combination. Evercore's opinion did not address the relative merits of the combination as**

compared to other business or financial strategies that

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might be available to CenturyLink, nor did it address the underlying business decision of CenturyLink to engage in the combination.

In connection with rendering its opinion and performing its related financial analysis, Evercore, among other things:

reviewed certain publicly available business and financial information relating to CenturyLink and Level 3 that Evercore deemed to be relevant, including publicly available research analysts' estimates;

reviewed certain non-public historical financial statements and other non-public historical financial and operating data relating to each of CenturyLink and Level 3 prepared and furnished to Evercore by the management of CenturyLink and Level 3, respectively;

reviewed certain non-public projected financial and operating data relating to CenturyLink prepared and furnished to Evercore by the management of CenturyLink;

reviewed certain non-public project financial and operating data relating to Level 3 prepared and furnished to Evercore by the management of Level 3;

reviewed the amount and timing of the cost savings and capital expenditure reductions estimated by the management of CenturyLink and the management of Level 3 to result from the combination (collectively, the Synergies);

discussed the past and current operations, financial projections and current financial condition of each of CenturyLink and Level 3 with the management of CenturyLink (including their views on the risks and uncertainties of achieving such projections);

reviewed the reported prices and the historical trading activity of each of the CenturyLink common stock and the Level 3 common stock;

compared the financial performance of each of CenturyLink and Level 3 and their respective stock market trading multiples with those of certain other publicly traded companies that Evercore deemed relevant;

compared the financial performance of CenturyLink and Level 3 and the valuation multiples relating to the combination with those of certain other transactions that Evercore deemed relevant;

reviewed the potential pro forma financial impact of the combination on the future financial performance of the combined company based on the projected financial data relating to each of CenturyLink and Level 3

referred to above, including the projected Synergies and other strategic benefits and the amount and timing of realization thereof, anticipated by management of CenturyLink and management of Level 3 to be realized from the combination;

reviewed a draft of the merger agreement dated October 29, 2016; and

performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification, the accuracy and completeness of all of the information publicly available, and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore has not assumed any liability therefor. With respect to the projected financial data relating to CenturyLink and Level 3 referred to above (including the Synergies), Evercore assumed that they had been reasonably prepared on bases reflecting the best currently available estimates and good-faith judgments of the respective managements of CenturyLink and Level 3 as to (i) the future financial performance of the companies under the assumptions reflected therein and (ii) the Synergies, including the amount and timing of realization of such Synergies.

Evercore expressed no view as to any projected financial data relating to CenturyLink or Level 3 or the assumptions on which they were based. Evercore relied, at CenturyLink's direction, without independent

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verification, upon the assessments of the management of CenturyLink and the management of Level 3 as to the Synergies, including the amount and timing of the realization of such Synergies.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the merger agreement were true and correct, that the combination will qualify as a tax free reorganization for United States federal income tax purposes, that each party will perform all of the covenants and agreements required to be performed by it under the merger agreement in all material respects and that all conditions to the consummation of the combination will be satisfied without material waiver or modification thereof. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the combination will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on CenturyLink, Level 3 or the consummation of the combination or materially reduce the benefits to CenturyLink of the combination. Evercore also assumed that the executed merger agreement would not differ in any material respect from the draft merger agreement dated October 29, 2016 reviewed by Evercore.

Evercore did not make nor assume any responsibility for making any physical inspection, independent valuation or appraisal of the assets or liabilities of CenturyLink or Level 3, nor was Evercore furnished with any such inspection, valuation or appraisal, nor did Evercore evaluate the solvency or fair value of CenturyLink or Level 3 under any state, federal or foreign laws relating to bankruptcy, insolvency or similar matters. Evercore's opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and as could be evaluated on the date of the opinion. Subsequent developments may affect Evercore's opinion and Evercore did not undertake any obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness, from a financial point of view, of the merger consideration to CenturyLink. Evercore did not express any view on, and its opinion did not address, the fairness of the combination to, or any consideration received in connection therewith by, the holders of any securities, creditors or other constituencies of CenturyLink, nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of CenturyLink, or any class of such persons, whether relative to the merger consideration or otherwise.

Evercore assumed that any modification to the structure of the transaction would not vary its analysis in any material respect. Evercore's opinion did not constitute a recommendation to the CenturyLink Board or to any other persons in respect of the combination, including as to how any holder of shares of CenturyLink common Stock or Level 3 common stock should vote or act in respect of the combination. Evercore expressed no opinion as to the price at which shares of CenturyLink common stock or Level 3 common stock will trade at any time. Evercore is not a legal, regulatory, accounting or tax expert and assumed the accuracy and completeness of assessments by CenturyLink and its advisors with respect to legal, regulatory, accounting and tax matters.

Summary of Material Financial Analysis

Set forth below is a summary of the material financial and other analyses performed by Evercore and reviewed with the CenturyLink Board on October 30, 2016, in connection with rendering its opinion. The following summary, however, does not purport to be a complete description of the analyses performed by Evercore. The order of the analyses described and the results of these analyses do not represent relative importance or weight given to these analyses by Evercore. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data that existed on or before October 26, 2016, the last trading date prior to news of a possible transaction between CenturyLink and Level 3 became public, and is not necessarily indicative of then-current market conditions.

The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial

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analyses. The tables alone do not constitute a complete description of the financial analyses. Considering 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 Evercore's financial analyses.

Selected Peer Trading Analysis

In performing a selected peer trading analysis of CenturyLink and Level 3, Evercore reviewed and compared certain financial, operating and market information relating to CenturyLink and Level 3 to corresponding information of the publicly traded companies listed in the tables below, which Evercore deemed most relevant to consider in relation to CenturyLink and Level 3, respectively, based on its professional judgment and experience, because they are public companies with operations that for purposes of this analysis Evercore considered similar to the operations of one or more of the business lines of CenturyLink and Level 3, respectively.

Evercore reviewed, among other things, total enterprise value (TEV) of the selected companies as a multiple of estimated earnings before interest, taxes, depreciation and amortization (EBITDA), as well as equity value (EV) of the selected companies as a multiple of free cash flow (FCF) for calendar years 2016 and 2017. EBITDA of CenturyLink and its selected peer companies was calculated on a post-stock based compensation (SBC) basis, whereas EBITDA of Level 3 and its selected peer companies was calculated on a pre-SBC basis, in each case in accordance with industry practice. Enterprise values were calculated for the purpose of this analysis as equity value (based on the per share closing price of each selected company on October 26, 2016, multiplied by the fully diluted number of such company's outstanding equity securities on such date), plus debt, plus minority interest, less cash and cash equivalents (in the case of debt, minority interest, cash and cash equivalents, as set forth on the most recently publicly available balance sheet of such company, and in the case of minority interest, where applicable). In the case of CenturyLink, debt, cash and cash equivalents were adjusted to be pro forma for the expected sale of CenturyLink's data center assets as announced on November 4, 2016. Free cash flow was calculated as cash from operations less capital expenditures. The financial data of the selected peer companies used by Evercore for this analysis were based on publicly available research analysts' estimates. The financial data of Level 3 and CenturyLink were based on the projections provided by the management of Level 3 and CenturyLink, respectively.

The EBITDA multiple and FCF multiple for Level 3 and each of its selected peer companies are set forth in the table below:

Sector	Selected Public Company	TEV / 2016E EBITDA	TEV / 2017E EBITDA	EV / 2016E FCF	EV / 2017E FCF
Enterprise / Fiber Communications Provider	Zayo Group Holdings, Inc.	11.4x	10.6x	NM	NM
Enterprise / Fiber Communications Provider	Cogent Communications Holdings, Inc.	13.0x	11.7x	27.4x	20.4x
Enterprise / Fiber Communications Provider	Lumos Networks Corp.	7.9x	7.5x	NM	NM
	<u>Reference:</u>				
	Level 3	9.4x	8.8x	16.3x	14.8x

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The EBITDA multiple and FCF multiple for CenturyLink and each of its selected peer companies are set forth in the table below:

Sector	Selected Public Company	TEV / 2016E EBITDA	TEV / 2017E EBITDA	EV / 2016E FCF	EV / 2017E FCF
Rural Local Exchange Carrier	Consolidated Communications Holdings, Inc.	8.2x	8.4x	11.1x	11.1x
Rural Local Exchange Carrier	Frontier Communications Corporation	5.6x	6.0x	8.9x	7.4x
Rural Local Exchange Carrier	Windstream Holdings, Inc.	4.5x	4.6x	NM	12.6x
Rural Local Exchange Carrier	Cincinnati Bell Inc.	6.4x	6.4x	NM	NM
Rural Local Exchange Carrier	FairPoint Communications, Inc.	5.2x	5.2x	NM	NM
Regional Bell Operating Company	AT&T Inc.	6.4x	6.2x	13.3x	11.7x
Regional Bell Operating Company	Verizon Communications Inc.	6.4x	6.3x	12.9x	12.2x
	Reference:				
	CenturyLink	5.4x	5.4x	10.0x	14.2x

Evercore applied a reference range of EBITDA multiples of 8.5x to 10.5x and 5.25x to 6.25x to Level 3 and CenturyLink, respectively, as well as a reference range of FCF multiples of 13.0x to 16.0x and 11.25x to 13.75x to Level 3 and CenturyLink, respectively, in each case derived by Evercore based on its review of the respective peer companies selected and its experience and professional judgment, to the estimated EBITDA and the estimated FCF for each of Level 3 and CenturyLink for the year ending December 31, 2017. In the case of Level 3, estimated EBITDA and FCF were based on the projections provided by the management of Level 3. In the case of CenturyLink, estimated EBITDA and FCF were based on the projections provided by the management of CenturyLink and were calculated on a pro forma basis, accounting for the sale of CenturyLink's data center assets. Using the 2017 EBITDA multiples, this analysis indicated an implied equity value per-share reference range for Level 3 and CenturyLink of approximately \$44.91 to \$61.55 and \$26.89 to \$38.31, respectively. Using the 2017 FCF multiples, this analysis indicated an implied equity value per-share reference range for Level 3 and CenturyLink of approximately \$41.16 to \$50.65 and \$22.47 to \$27.46, respectively.

Implied Exchange Ratio

Evercore used the resulting per-share equity value reference ranges to calculate the implied exchange ratios for the EBITDA multiple and FCF multiple cases by dividing the lowest respective per-share equity value for Level 3, less the \$26.50 per-share cash consideration to be paid to Level 3 stockholders in the combination (the cash consideration), by the highest respective per-share equity value for CenturyLink for the low end of the exchange ratio range in each case and dividing the highest respective per share equity value for Level 3, less the cash consideration, by the lowest respective per-share equity value for CenturyLink for the high end of the exchange ratio range in each case. This analysis indicated implied exchange ratio reference ranges of 0.481x to 1.303x and 0.534x to 1.075x, in the EBITDA multiple and FCF multiple cases, respectively, of a new CenturyLink share for each share of Level 3 common stock. Evercore compared these implied exchange ratios to the transaction exchange ratio of 1.4286x of a new CenturyLink

share per share of Level 3 common stock in the combination.

	Level 3				CenturyLink				Implied Exchange Ratio	
	Multiples		\$/ Share		Multiples		\$/ Share		0.481x	1.303x
TEV / EBITDA 2017E	8.5x	10.5x	\$44.91	\$61.55	5.25x	6.25x	\$26.89	\$38.31		
EV / FCF 2017E	13.0x	16.0x	\$41.16	\$50.65	11.25x	13.75x	\$22.47	\$27.46	0.534x	1.075x

No company utilized in the peer company trading analysis is identical to Level 3 or CenturyLink. Accordingly, an analysis of the results of the foregoing necessarily involves complex considerations and

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judgments concerning differences in financial, operating and market characteristics of Level 3 and CenturyLink and other factors that could affect the public trading value of the companies to which they are being compared. In evaluating the peer companies selected, Evercore made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Level 3 and CenturyLink, such as the impact of competition on Level 3 or CenturyLink and the industry generally, industry growth and the absence of any adverse material change in the financial conditions and prospects of CenturyLink, Level 3, the industry or the financial markets in general. Mathematical analysis, such as determining the mean, median or average, is not in itself a meaningful method of using peer company trading data.

Selected Precedent Transaction Analysis

Evercore performed an analysis of selected precedent transactions to compare multiples paid in other transactions to the multiples implied in the combination. Evercore analyzed 10 merger and acquisition transactions that were announced between 2011 and 2016 involving acquisitions of companies in the enterprise / fiber communications provider sectors of the telecommunications industry.

While none of the companies that participated in the selected precedent transactions is directly comparable to Level 3 and none of the transactions in the selected precedent transactions analysis is directly comparable to the combination, Evercore selected these transactions because each of the target companies was involved in the enterprise / fiber communications provider sectors of the telecommunications industry and had operating characteristics and products that for purposes of analysis may be considered similar to certain of Level 3's operating characteristics and products.

For each of the selected transactions, Evercore reviewed transaction values and calculated the TEV implied for each target company based on the consideration paid in the selected transaction, as a multiple of the target company's current year EBITDA (in each case, primarily calculated for the 12-month period prior to the latest available data on the quarter preceding the date of announcement of such transaction). In circumstances where such multiples were unavailable, last quarter or future quarter annualized EBITDA or Wall Street research estimates for current year EBITDA were utilized.

Evercore's analysis indicated average and median TEV to current year EBITDA multiples of 11.6x and 12.6x, respectively. The selected precedent transactions and the TEV, current year EBITDA and TEV to current year EBITDA multiples related thereto are set forth in the table below:

Date Announced	Acquiror	Target	TEV (in millions)	TEV / Current Year EBITDA
June 20, 2016	Communications Sales & Leasing, Inc.	Tower Cloud, Inc.	\$ 230	12.4x
January 7, 2016	Communications Sales & Leasing, Inc.	PEG Bandwidth, LLC	\$ 450	12.9x
April 30, 2015	Crown Castle International Corp.	Sunesys, LLC	\$ 1,000	15.0x
April 27, 2015	Lightower Fiber Networks LLC	Fibertech Networks LLC	\$ 1,900	12.8x
June 30, 2014	Consolidated Communications	Eventis Telecom, Inc.	\$ 350	7.3x

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June 16, 2014	Level 3 Communications, Inc.	tw telecom	\$ 7,300	13.2x
October 7, 2013	Time Warner Cable Inc.	DukeNet Communications, LLC	\$ 600	13.0x
March 19, 2012	Zayo Group Holdings, Inc.	AboveNet, Inc.	\$ 2,278	10.5x
October 7, 2011	Zayo Group Holdings, Inc.	360networks holdings (USA) inc.	\$ 332	12.2x
April 11, 2011	Level 3 Communications, Inc.	Global Crossing Ltd.	\$ 3,001	7.1x

Evercore then applied a reference range of estimated EBITDA multiples of 10.0x to 13.0x, derived by Evercore based on its review of the selected precedent transactions and its experience and professional judgment,

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to the estimated EBITDA of Level 3, calculated on a pre-SBC basis, for the year ending December 31, 2016. This analysis indicated an implied per-share equity value range for Level 3 of \$52.58 to \$76.10.

Implied Exchange Ratio

Evercore used the resulting per-share equity value reference range to calculate the implied exchange ratio by dividing the lowest per-share equity value for Level 3, less the cash consideration, by CenturyLink's share price of \$28.25 per share, as of October 26, 2016, for the low end of the exchange ratio range and dividing the highest per-share equity value for Level 3, less the cash consideration, by CenturyLink's share price of \$28.25 per share, as of October 26, 2016, for the high end of the exchange ratio range. This analysis indicated an implied exchange ratio reference range of 0.923x to 1.756x of a new CenturyLink share for each share of Level 3 common stock. Evercore compared this resulting implied exchange ratio to the transaction exchange ratio of 1.4286x of a new CenturyLink share per share of Level 3 common stock in the combination.

Discounted Cash Flow Analyses***Level 3***

Evercore performed a discounted cash flow analysis of Level 3 to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Level 3 was projected to generate from September 30, 2016 through calendar year 2021, based on financial projections for Level 3 that were provided by Level 3 management.

Evercore also calculated a terminal value for Level 3 by applying (i) a terminal EBITDA multiple and (ii) a perpetuity growth rate, in each case based on its professional judgment given the nature of Level 3 and its business and industry, of 8.5x to 9.5x and 2.5% to 3.0%, respectively, to each of (x) the projected standalone EBITDA, calculated on a pre-SBC basis, and (y) the unlevered, after-tax free cash flows, in each case in the terminal year. The cash flows and respective terminal values (as calculated using both the terminal EBITDA multiple and the perpetuity growth rate methodologies) for Level 3 were then discounted to present value using a discount rate of 6.75% to 7.75%, based on an estimate of Level 3's weighted average cost of capital, and net operating losses (based on assumptions provided by Level 3 management) were discounted to present value using a discount rate of 7.25%, to derive respective ranges of implied enterprise values for Level 3. Ranges of implied equity values for Level 3 were then calculated by reducing the respective ranges of implied enterprise values by the amount of Level 3's projected net debt (calculated as debt less cash and cash equivalents) as of September 30, 2016. Evercore performed this analysis for Level 3 (a) on a standalone basis and (b) with the inclusion of Synergies estimated by Level 3 management and CenturyLink management to be realized from the combination, attributing 100% of the value of such Synergies to Level 3. Evercore's analysis indicated an implied per-share equity value reference range for Level 3 on a standalone basis of approximately \$58.69 to \$69.92 in the terminal multiple case and \$50.19 to \$75.93 in the perpetuity growth rate case. Evercore's analysis with the inclusion of Synergies, attributing 100% of the value of such Synergies to Level 3, indicated an implied per-share equity value reference range for Level 3 of approximately \$79.86 to \$91.09 in the terminal multiple case and \$71.36 to \$97.10 in the perpetuity growth rate case.

CenturyLink

Evercore performed a discounted cash flow analysis of CenturyLink to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that CenturyLink was projected to generate from September 30, 2016 through calendar year 2021, based on financial projections for CenturyLink that were provided by CenturyLink management. Under the terminal EBITDA multiple methodology, certain additional payments relating to pension and post-retirement expenses were included in the calculation of the after-tax free cash flows. Under the perpetuity growth

rate case, such pension and post-retirement payments were excluded from the calculation of after-tax free cash flows, but reflected in a one-time adjustment as described herein.

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Evercore also calculated a terminal value for CenturyLink by applying (i) a terminal EBITDA multiple and (ii) a perpetuity growth rate, in each case based on its professional judgment given the nature of CenturyLink and its business and industry, of 5.0x to 6.0x and (0.25)% to 0.25%, respectively, to each of (a) the projected standalone EBITDA and (b) the unlevered, after-tax free cash flows, in each case in the terminal year and calculated on a pro forma basis accounting for the sale of CenturyLink's data center assets. The cash flows and the respective terminal values (as calculated using both the terminal EBITDA multiple and the perpetuity growth rate) for CenturyLink were then discounted to present value using a discount rate of 5.75% to 6.75%, based on an estimate of CenturyLink's weighted average cost of capital, to derive respective ranges of implied enterprise values for CenturyLink. Ranges of implied equity values for CenturyLink were then calculated (x) in the terminal multiple case, by reducing the respective ranges of implied enterprise values by the amount of CenturyLink's projected net debt (calculated as debt less cash and cash equivalents) as of September 30, 2016, and (y) in the perpetuity growth case, by reducing the respective ranges of implied enterprise values by the amount of CenturyLink's projected net debt (calculated as debt less cash and cash equivalents) as of September 30, 2016 and the amount, on an after-tax basis, by which CenturyLink's pension and other post-retirement benefit liabilities were underfunded, in each case as provided by CenturyLink management and calculated on a pro forma basis accounting for the sale of CenturyLink's data center assets. Evercore's analysis indicated an implied per-share equity value reference range for CenturyLink on a standalone basis of approximately \$23.21 to \$34.79 in the terminal multiple case and \$23.75 to \$40.33 in the perpetuity growth rate case.

Implied Exchange Ratio

Based on the implied per-share equity value reference ranges, Evercore also calculated implied exchange ratios for the terminal multiple and perpetuity growth rate cases by dividing the lowest respective per-share equity value for Level 3, less the cash consideration, by the midpoint of the respective implied per-share reference range for CenturyLink for the low end of the exchange ratio range and dividing the highest respective per-share equity value for Level 3, less the cash consideration, by the midpoint of the respective implied per-share reference range for CenturyLink for the high end of the exchange ratio range. This analysis indicated, on a standalone basis, implied exchange ratio reference ranges of 1.115x to 1.504x and 0.763x to 1.592x, in the terminal multiple case and the perpetuity growth rate case, respectively, of a new CenturyLink share for each share of Level 3 common stock. With the inclusion of Synergies, and attributing 100% of the value of such Synergies to Level 3, the analysis indicated implied exchange ratio reference ranges of 1.848x to 2.237x and 1.445x to 2.273x, in the terminal multiple case and the perpetuity growth rate case, respectively, of a new CenturyLink share for each share of Level 3 common stock. With the inclusion of only CenturyLink's 50.9% share of the Synergies, the analysis indicated an implied exchange ratio reference range of 1.488x to 1.877x and 1.110x to 1.939x, in the terminal multiple case and the perpetuity growth rate case, respectively, of a new CenturyLink share for each share of Level 3 common stock. Evercore compared each of these exchange ratios to the exchange ratio of 1.4286x of a new CenturyLink share for each share of Level 3 common stock in the combination.

Net Present Value of Future Stock Price Analysis
Level 3

Evercore performed an illustrative analysis of the net present value of the future stock price of Level 3, which is designed to provide an indication of the present value of a theoretical future value of a company as a function of such company's estimated future EBITDA and its assumed TEV to next twelve months (NTM) EBITDA multiple. Evercore used financial projections for Level 3 derived from assumptions provided by the management of Level 3 through calendar year 2020. Evercore first multiplied the EBITDA estimate, calculated on a pre-SBC basis, by a range of TEV to NTM EBITDA multiples of 8.5x to 9.5x to calculate the implied future enterprise values. Evercore then calculated

the implied future equity values for Level 3 as of December 31 of each year through calendar year 2020 by reducing the implied future enterprise values by the amount of Level 3's projected future net debt (calculated as debt less cash and cash equivalents) as of each such date. Evercore then

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discounted the projected per-share equity value as of a particular future date, December 31, 2019, to September 30, 2016 using a discount rate of 10.0%. The discount rate was based on Evercore's analysis of the cost of equity for Level 3. This analysis resulted in an implied per-share equity value reference range of approximately \$53.73 to \$61.23. Evercore's analysis with the inclusion of Synergies, attributing 100% of the value of such Synergies to Level 3, indicated an implied per-share equity value reference range for Level 3 of approximately \$74.90 to \$82.40.

CenturyLink

Evercore performed an illustrative analysis of the net present value of the future stock price of CenturyLink, which is designed to provide an indication of the present value of a theoretical future value of a company as a function of such company's estimated future EBITDA and its assumed TEV to NTM EBITDA multiple. Evercore used financial projections for CenturyLink derived from assumptions provided by CenturyLink management through calendar year 2020 and calculated on a pro forma basis to account for the sale of CenturyLink's data center assets. Evercore first multiplied the EBITDA estimate by a range of TEV to NTM EBITDA multiples of 5.25x to 5.75x to calculate the implied future enterprise values. Evercore then calculated the implied future equity values for CenturyLink as of December 31 of each year through calendar year 2020 by reducing the implied future enterprise values by the amount of CenturyLink's projected future net debt (calculated as debt less cash and cash equivalents) as of each such date, and adding the cumulative value of any dividends projected to be paid by CenturyLink as of such date. Evercore then discounted the projected per-share equity value as of a particular future date, December 31, 2019, to September 30, 2016 using a discount rate of 9.0%. The discount rate was based on Evercore's analysis of the cost of equity for CenturyLink. This analysis resulted in an implied per-share equity value reference range of approximately \$26.91 to \$31.31.

Implied Exchange Ratio

Based on the implied per-share equity value reference ranges, Evercore calculated an implied exchange ratio reference range by dividing the lowest implied per-share value for Level 3, less the cash consideration, by the average of the highest and lowest implied per-share equity values for CenturyLink for the low end of the exchange ratio range and dividing the highest per-share equity value for Level 3, less the cash consideration, by the average of the highest and lowest implied per-share equity values for CenturyLink for the high end of the exchange ratio range. This analysis indicated, on a standalone basis, an implied exchange ratio reference range of 0.935x to 1.193x of a new CenturyLink share for each share of Level 3 common stock. With the inclusion of Synergies, and attributing 100% of the value of such Synergies to Level 3, the analysis indicated an implied exchange ratio reference range of 1.663x to 1.920x of a new CenturyLink share for each share of Level 3 common stock. With the inclusion of only CenturyLink's 50.9% share of the Synergies, the analysis indicated an implied exchange ratio reference range of 1.305x to 1.563x of a new CenturyLink share for each share of Level 3 common stock. Evercore compared each of these exchange ratios to the exchange ratio of 1.4286x of a new CenturyLink share for each share of Level 3 common stock in the combination.

Other Factors

Evercore also reviewed and considered other factors, which were not considered part of its financial analyses in connection with rendering its advice, but were referenced for informational purposes, including, among other things, the 52-week trading range, the analysts' price targets and precedent premia analyses described below.

52-Week Trading Range

Evercore reviewed historical trading prices of Level 3 and CenturyLink shares during the 52-week period ended October 26, 2016, noting that the low and high intraday prices during such period ranged from \$41.73 to \$57.59 for

Level 3 and \$21.94 to \$32.94 for CenturyLink.

Table of Contents*Analyst Price Targets*

Evercore reviewed publicly available share price targets of research analysts' estimates known to Evercore as of October 26, 2016, noting that the low and high share price targets ranged from \$54.00 to 63.00 for Level 3 (with an average price target of \$58.33) and that the low and high share price targets ranged from \$24.00 to \$42.00 for CenturyLink (with an average price target of \$29.89).

Precedent Premia Paid

Evercore reviewed and analyzed premia paid in (i) global cash and stock transactions involving greater than 50% stock consideration since 2010 involving target companies with an enterprise value greater than \$10 billion (Global Precedent Transactions) and (ii) selected U.S. telecommunications transactions valued above \$1 billion since 2010 (U.S. Telecom Precedent Transactions). Based on its professional judgment and premia in the Global Precedent Transactions and U.S. Telecom Precedent Transactions, Evercore applied reference ranges of premia of 25.0% to 35.0% and 20.0% to 50.0%, respectively, to the Level 3 unaffected share price as of October 26, 2016 of \$46.92. This analysis indicated per-share equity value reference ranges of approximately \$58.65 to \$63.34 and \$56.30 to \$70.38 for Level 3 in the Global Precedent Transaction case and the U.S. Telecom Precedent Transaction case, respectively.

Miscellaneous

The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by Evercore. In connection with the review of the combination by the CenturyLink Board, Evercore performed a variety of financial and comparative analyses for purposes of rendering its opinion. 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 described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore's opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Evercore 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 or combination of analyses described above should not be taken to be the view of Evercore with respect to the actual value of CenturyLink common stock or Level 3 common stock. No company used in the above analyses as a comparison is directly comparable to CenturyLink or Level 3, and no transaction used is directly comparable to the combination. Further, Evercore's analyses 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 or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of CenturyLink, Level 3 and their respective advisors. Rounding may result in total sums set forth in this section not equaling 100%.

Evercore prepared these analyses for the purpose of providing an opinion to the CenturyLink Board as to the fairness of the merger consideration, from a financial point of view, to CenturyLink. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the business or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Evercore's analyses are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results are materially different from those forecasted in such estimates.

Pursuant to the terms of Evercore's engagement letter with CenturyLink, a fee of \$7.5 million was payable to Evercore upon the delivery of Evercore's fairness opinion to the CenturyLink Board. An additional

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discretionary fee may be paid to Evercore by CenturyLink, the amount of which, if any, will be determined by the CenturyLink Board in its sole and absolute discretion. In addition, CenturyLink has agreed to reimburse Evercore for its expenses and to indemnify Evercore for certain liabilities arising out of its engagement.

Prior to Evercore's engagement in connection with the combination, Evercore and its affiliates have provided financial advisory services to CenturyLink and received fees for the rendering of such services, including the reimbursement of expenses. However, no fees were received from CenturyLink during the two-year period prior to the delivery of Evercore's opinion for such services. During the two-year period prior to the delivery of its opinion, no material relationship existed between Evercore and its affiliates and Level 3 pursuant to which compensation was received by Evercore or its affiliates as a result of such a relationship. Evercore may provide financial or other services to Level 3 in the future and in connection with any such services Evercore may receive compensation.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, or related derivative securities, or financial instruments of CenturyLink, Level 3 and their respective affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments.

The issuance of the fairness opinion was approved by an Opinion Committee of Evercore.

CenturyLink engaged Evercore to act as a financial advisor to CenturyLink and the CenturyLink Board based on its qualifications, experience and reputation, as well as familiarity with the business of CenturyLink. In reaching its decision to engage Evercore, the CenturyLink Board also considered that Evercore would not be providing debt financing to CenturyLink in connection with the combination. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes.

Opinions of Level 3's Financial Advisors

Opinion of Citigroup Global Markets Inc.

On October 30, 2016, Citi rendered its oral opinion to the Level 3 Board, which was confirmed by delivery of a written opinion dated October 31, 2016, to the effect that, as of such date and based upon and subject to the factors, procedures, assumptions, qualifications and limitations contained therein, Citi's experience as investment bankers, the work described in Citi's opinion and other factors deemed relevant by Citi, the merger consideration to be received by the Level 3 stockholders (other than with respect to excluded shares) in the initial merger was fair, from a financial point of view, to such holders.

The full text of Citi's written opinion, dated October 31, 2016, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Citi in rendering its opinion, is attached to this joint proxy statement/prospectus as Annex C and is incorporated into this joint proxy statement/prospectus by reference in its entirety. The summary of Citi's opinion set forth below is qualified in its entirety by reference to the full text of the opinion. We urge you to read the opinion carefully and in its entirety. Citi's opinion, the issuance of which was authorized by Citi's fairness opinion committee, was provided to the Level 3 Board (in its capacity as such) in connection with its evaluation of the combination and was limited to the fairness, from a financial point of view, as of the date of the opinion, to the Level 3 stockholders (other than with respect to excluded shares) of the merger consideration to be received by such holders in the initial merger. Citi's opinion does not address any other aspects or implications of the combination and does not constitute a recommendation to any stockholder as to

how such stockholder should vote or act on any matters relating to the transactions contemplated by the merger agreement, including the initial merger, or otherwise. Citi's opinion does not address the underlying business decision of Level 3 to effect the combination, the relative merits of the combination as compared to any alternative business strategies that might exist for Level 3 or the effect of any other transaction in which Level 3 might engage. The following is a summary of Citi's opinion.

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In arriving at its opinion, Citi, among other things:

reviewed a draft dated October 30, 2016 of the merger agreement;

held discussions with certain senior officers, directors and other representatives and advisors of Level 3 and certain senior officers and other representatives and advisors of CenturyLink concerning the businesses, operations and prospects of Level 3 and CenturyLink;

reviewed certain publicly available and other business and financial information relating to Level 3 provided to or otherwise discussed with Citi by the management of Level 3, including (i) certain internal financial forecasts, estimates and other financial and operating data of Level 3 prepared by the management of Level 3, as described below under *Certain Forecasts Prepared by Level 3* (ii) certain estimates prepared by the management of Level 3 as to the net operating losses (which we refer to as the *Level 3 NOLs*) and other tax attributes of Level 3 (the information in clauses (i) and (ii), the *Level 3 Management Forecasts*) and (iii) certain publicly available research analysts' estimates relating to Level 3;

reviewed certain publicly available and other business and financial information relating to CenturyLink provided to or otherwise discussed with Citi by the management of CenturyLink, including (i) certain internal financial forecasts, estimates and other financial and operating data of CenturyLink prepared by the management of CenturyLink as described below under *Certain Forecasts Prepared by CenturyLink* (collectively, the *CenturyLink Management Forecasts*) and (ii) as directed by and discussed with Level 3's management, certain publicly available research analysts' estimates relating to CenturyLink as described below in *The Combination and the Stock Issuance Opinions of Level 3's Financial Advisors' Analyst Estimates for CenturyLink* (the *Analyst Estimates for CenturyLink*);

reviewed certain information relating to potential strategic implications and operational benefits (including the amount, timing and achievability thereof) anticipated by the managements of Level 3 and CenturyLink to result from the combination (the *Synergies*);

reviewed the financial terms of the combination as set forth in the merger agreement in relation to, among other things:

current and historical market prices and trading volumes of Level 3 common stock and CenturyLink common stock,

the historical and projected earnings and other operating data of Level 3 and CenturyLink,

the capitalization and financial condition of Level 3 and CenturyLink,

to the extent publicly available, the financial terms of certain other transactions which Citi considered relevant in evaluating the combination,

certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations Citi considered relevant in evaluating those of Level 3 and CenturyLink, and

certain potential pro forma financial effects of the combination of Level 3 and CenturyLink; and

conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as Citi deemed appropriate in arriving at its opinion.

In rendering its opinion, Citi assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with Citi and upon the assurances of the managements of Level 3 and CenturyLink that they were not aware of any relevant information that was omitted or that remained undisclosed to Citi. With respect to the Level 3 Management Forecasts and the Synergies, Citi was advised by the management of Level 3

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that such forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Level 3 as to the future financial performance of Level 3 and, with respect to the Synergies, the potential strategic implications and operational benefits anticipated to result from the combination and the other matters covered thereby. For purposes of its opinion, with the consent of the Level 3 Board, Citi assumed that the financial results reflected in the Level 3 Management Forecasts and other information and data provided by Level 3's management will be realized in the amounts and at the times projected. With respect to CenturyLink's future financial performance, at the direction of the management of Level 3, Citi reviewed and analyzed the CenturyLink Management Forecasts and the Analyst Estimates for CenturyLink, and for purposes of its opinion, at the direction of the management of Level 3 and with the consent of the Level 3 Board, Citi relied on the Analyst Estimates for CenturyLink and assumed that the financial results reflected in the Analyst Estimates for CenturyLink, together with the Synergies, will be realized in the amounts and at the times projected.

Citi also assumed, with the consent of the Level 3 Board, that the combination will be consummated in accordance with its terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the combination, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on Level 3, CenturyLink or the contemplated benefits of the combination. Representatives of Level 3 advised Citi, and Citi assumed, that the final terms of the merger agreement would not vary materially from those set forth in the draft merger agreement Citi reviewed. Citi further assumed that the combination will qualify as a reorganization within the meaning of Section 368(a) of the Code. Citi did not express any opinion as to what the value of CenturyLink common stock actually will be when issued pursuant to the combination or the price at which shares of CenturyLink common stock will trade at any time. Citi also did not express any opinion with respect to accounting, tax, regulatory, legal or similar matters and relied, with the consent of the Level 3 Board, upon the assessments of representatives of Level 3 and CenturyLink as to such matters. Citi did not make and it was not provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Level 3 or CenturyLink and Citi did not make any physical inspection of the properties or assets of Level 3 or CenturyLink. Citi was not requested to, and Citi did not, solicit third party indications of interest in the possible acquisition of all or part of Level 3, nor was Citi requested to consider, and Citi's opinion did not address, the underlying business decision of Level 3 to effect the combination, the relative merits of the combination as compared to any alternative business strategies that might exist for Level 3 or the effect of any other transaction in which Level 3 might engage. Citi also expressed no view as to, and Citi's opinion did not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation or other payments to any officers, directors or employees of any parties to the combination, or any class of such persons, relative to the merger consideration. Citi's opinion was necessarily based upon information available to it, and financial, stock market and other conditions and circumstances existing, as of October 30, 2016, except as otherwise noted. Although subsequent developments may affect Citi's opinion, Citi has no obligation to update, revise or reaffirm its opinion.

For a summary of the material financial analyses presented by Citi to the Level 3 Board in connection with the delivery of Citi's opinion, see the section entitled *Financial Analyses by Citi* beginning on page 90.

In connection with the combination, Citi and Level 3 executed an indemnification letter on October 11, 2016 and an engagement letter on October 30, 2016. Under the terms of Citi's engagement, Level 3 has agreed to pay Citi, for its financial advisory services in connection with the combination, an aggregate fee of approximately \$52 million, \$5 million of which was payable upon delivery by Citi of its opinion and the remainder of which is payable upon completion of the combination. Subject to certain limitations, Level 3 also has agreed to reimburse Citi for reasonable travel and other out-of-pocket expenses incurred by Citi in performing its services, including reasonable fees and expenses of its outside legal counsel, and to indemnify Citi and related persons against certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

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Citi and its affiliates in the past have provided, and currently provide, services to Level 3 unrelated to the combination, for which services Citi and such affiliates have received and expect to receive customary compensation, including, without limitation, since August 1, 2014, having acted or acting (i) as financial advisor to Level 3 in connection with Level 3's acquisition of tw telecom in October 2014, (ii) as lead joint bookrunner for certain note offerings of Level 3, (iii) as joint lead arranger and joint bookrunning manager under a term loan credit facility of Level 3 and (iv) as lender under certain letters of credit and bank guarantees to certain subsidiaries of Level 3. During the period from August 1, 2014 to the date of its opinion, Citi has received compensation for financial advisory and/or underwriting services provided by its Investment Banking Division directly to Level 3 and/or its affiliates of approximately \$46,500,000. Citi and its affiliates in the past have also provided, and currently provide, services to CenturyLink unrelated to the combination, for which services Citi and such affiliates have received and expect to receive customary compensation, including, without limitation, since August 1, 2014, having acted or acting (i) as joint bookrunner and joint lead manager on certain note and debenture offerings of CenturyLink and (ii) as lender in connection with CenturyLink's revolving credit facility, letter of credit facility and certain daylight overdraft clearing facilities. During the period from August 1, 2014 to the date of its opinion, Citi has received compensation for financial advisory and/or underwriting services provided by its Investment Banking Division directly to CenturyLink and/or to its affiliates of approximately \$1,700,000. In addition as disclosed to the Level 3 Board, one of the members of the Citi deal team advising Level 3 in connection with the combination is the lead coverage banker on Citi's coverage team for CenturyLink and in the last two years has participated in presentations to CenturyLink which included publicly available information on Level 3 and other industry participants. One of these presentations, in April 2016, was a discussion of potential activist investor activity with respect to CenturyLink, and included illustrative acquisition transactions (based on publicly available information) of CenturyLink by various companies, including Level 3. In the ordinary course of business, Citi and its affiliates may actively trade or hold the securities of Level 3 and CenturyLink for its own account or for the account of its customers and, accordingly, may at any time hold a long or short position in such securities. In addition, Citi and its affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with Level 3, CenturyLink and their respective affiliates.

The Level 3 Board selected Citi to act as financial advisor in connection with the combination based on Citi's reputation and experience. Citi is an internationally recognized investment banking firm which regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Financial Analyses by Citi

The following is a summary of the material financial analyses delivered by Citi to the Level 3 Board in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Citi, nor does the order of analyses described represent relative importance or weight given to those analyses by Citi. As Citi advised the Level 3 Board in rendering its opinion, Citi's analyses excluded the effects of any exercise of appraisal rights by Level 3 stockholders. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Citi's financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 30, 2016, and is not necessarily indicative of current market conditions.

The preparation of financial opinions is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, financial opinions are not readily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth below, without considering the analyses as a whole, could create an

incomplete view of the processes underlying Citi's opinion. In arriving at its fairness determination, Citi considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis it considered. Rather, Citi made its determination as to fairness on the basis of its

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experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the below analyses as a comparison is directly comparable to Level 3 or CenturyLink or the contemplated combination.

Citi prepared these analyses for purposes of providing its opinion to the Level 3 Board as to the fairness, from a financial point of view, to the Level 3 stockholders (other than with respect to excluded shares), as of the date of the opinion, of the merger consideration to be paid to such holders pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Level 3, CenturyLink, Citi or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arm's-length negotiations between Level 3 and CenturyLink, rather than by any financial advisor, and was approved by the Level 3 Board. Citi provided advice to Level 3 during these negotiations. Citi did not, however, recommend any specific amount of consideration to Level 3 or its board of directors or that any specific amount of consideration constituted the only appropriate consideration for the transaction.

As described above, Citi's opinion to the Level 3 Board was one of many factors taken into consideration by the Level 3 Board in making its determination to approve the merger agreement. This summary does not purport to be a complete description of the analyses performed by Citi in connection with its fairness opinion and is qualified in its entirety by reference to Citi's written opinion attached as Annex C.

Level 3 Financial Analyses

Selected Precedent Transactions Analyses. Citi analyzed certain publicly available information relating to the following selected precedent transactions, referred to as the selected precedent transactions, that Citi in its professional judgment considered relevant for purposes of its analysis as transactions in the enterprise / fiber telecommunications industry announced in the last 5 years having a transaction value of greater than \$750 million:

Zayo Group, LLC / AboveNet, Inc.

Berkshire Partners LLC / Lightower Fiber Networks

Berkshire Partners LLC / Sidera Networks, LLC

Level 3 Communications, Inc. / tw telecom

Lightower Fiber Networks / Fibertech Networks

For two of the five selected precedent transactions, Zayo Group, LLC / AboveNet, Inc. and Level 3 Communications, Inc. / tw telecom, Citi calculated the transaction value as a multiple of the target's forward estimated EBITDA without reduction for stock-based compensation expenses, referred to as the Pre-SBC EBITDA.

For each of the five selected precedent transactions, Citi calculated the transaction value as a multiple of the target's forward estimated EBITDA (or last twelve months (or LTM) EBITDA, if a forward estimate was not available), as applicable, reduced by stock-based compensation expenses, if applicable, referred to as the Post-SBC EBITDA.

The following table presents the results of this analysis:

Metric	Transaction Value Multiple Range	
	Low	High
Transaction Value / Pre-SBC EBITDA	9.3x	13.1x
Transaction Value / Post-SBC EBITDA	8.9x	14.0x

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Citi used the multiples resulting from the selected precedent transactions to derive an implied equity value per share to Level 3. Citi applied the 9.3x to 13.1x range of transaction value / Pre-SBC EBITDA multiples to Level 3's estimated Pre-SBC EBITDA for calendar year 2017 (from the Level 3 Management Forecasts), which resulted in implied equity values per share of \$50.58 to \$82.06. Citi applied the 8.9x to 14.0x range of transaction value / Post-SBC EBITDA multiples to Level 3's estimated Post-SBC EBITDA for calendar year 2017 (from the Level 3 Management Forecasts) which resulted in implied equity values per share of \$43.39 to \$83.58. Citi compared the ranges of implied equity values per share to the \$66.86 implied per share merger consideration to Level 3 stockholders, assuming (i) cash consideration of \$26.50 per share and (ii) an implied value of the stock consideration of \$40.36 per share based on the 1.4286 per share exchange ratio and the closing price of CenturyLink common stock of \$28.25 per share on October 26, 2016, the last day prior to market rumors of a transaction between Level 3 and CenturyLink, which we refer to as the Unaffected Date.

For informational purposes only, Citi also reviewed the EBITDA multiples and implied equity values to Level 3 of two additional transactions in the enterprise / fiber telecommunications industry (Crown Castle International Corp. / Sunesys and Level 3 Communications, Inc. / Global Crossing Limited) but in its professional judgment excluded such transactions from its selected precedent transaction analysis because such acquired companies were not, in Citi's professional judgment, sufficiently comparable to Level 3 for such purposes.

Discounted Cash Flow Analysis. Citi performed a discounted cash flow analysis of the Level 3 Management Forecasts to derive implied equity values per share of Level 3 as of June 30, 2016. Citi added the present values (in each case as of June 30, 2016) of (i) the unlevered free cash flow for the six months ended December 31, 2016 and the calendar years 2017 through 2021, (ii) the tax savings, which we refer to as the Level 3 NOL Tax Savings, associated with the use of the Level 3 NOLs, for the six months ended December 31, 2016 and the calendar years 2017 through 2031 (the last year in which Level 3 is estimated to have net operating losses available for use), and (iii) the terminal value of Level 3 at the end of the forecast period. For purposes of this analysis, the terminal value calculation applied perpetuity growth rates ranging from 2.0% to 3.0% to Citi's estimate of normalized unlevered free cash flow. Citi's present value calculations assumed discount rates of 7.25% to 8.25%, based upon an analysis of Level 3's weighted average cost of capital. Additionally, Citi treated Level 3's non-cash stock-based compensation expense as a cash expense in calculating Level 3's unlevered free cash flow for all periods. Citi then subtracted net debt (total debt minus cash and cash equivalents, as of June 30, 2016) and divided the range of equity values it derived by the number of fully diluted outstanding shares of Level 3 (as of September 30, 2016) to derive implied equity values per share of \$41.29 to \$66.80, as compared to the implied per share merger consideration of \$66.86. Citi noted that the net present value of the Level 3 NOL Tax Savings contributed \$6.77 to \$7.03 per share to the range noted and that if the net present value of the Level 3 NOL Tax Savings were disregarded, the discounted cash flow analysis would result in a lower range of implied equity values per share.

Has / Gets Analysis. Citi reviewed the following metrics for Level 3 both on a stand-alone and pro forma (for the combination) basis:

Implied equity value per share based on a market value analysis; and

Implied equity value per share based on a discounted cash flow analysis.

With respect to the implied equity value per share based on the market value analysis, to derive a pro forma equity value, Citi added: (i) the market equity values of Level 3 and CenturyLink (in each case based on their respective share prices as of the Unaffected Date) plus (ii) the net present value of the Synergies, plus (iii) the net present value

of the accelerated use of the Level 3 NOLs as a result of the combination, less (iv) the estimated transaction expenses, less (v) the aggregate cash consideration payable to Level 3 stockholders in the combination. Citi then multiplied the resulting pro forma equity value by 49%, representing the Level 3 stockholders' pro forma ownership of the combined company, and divided by the fully diluted shares outstanding of Level 3 common stock to derive an implied equity value per share of Level 3 and added \$26.50 in cash per share. Citi then compared this number to Level 3's market price (as of the Unaffected Date).

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With respect to the implied equity value per share based on the discounted cash flow analysis, to derive a pro forma equity value, Citi added: (i) the equity values implied by the discounted cash flow analyses for each of Level 3 and CenturyLink, plus (ii) the net present value of the Synergies, plus (iii) the net present value of the accelerated use of the Level 3 NOLs as a result of the combination, less (iv) the estimated transaction expenses, less (v) the aggregate cash consideration payable to Level 3 stockholders in the combination. Citi then multiplied the resulting pro forma equity value by 49%, representing the Level 3 stockholders' pro forma ownership of the combined company, and divided by the fully diluted shares outstanding of Level 3 common stock to derive an implied equity value per share of Level 3 and added \$26.50 in cash per share. Citi then compared this number to the midpoint of the implied equity value per share derived in the Level 3 standalone discounted cash flow analysis. Citi performed this analysis using the Level 3 Management Forecasts, the CenturyLink Management Forecasts and the Analyst Estimates for CenturyLink.

The results of these analyses are provided in the table below:

Methodology	Stand-Alone	Pro Forma
Market Value Analysis	\$ 46.92	\$ 70.32
DCF Analysis (Level 3 Management Forecasts / CenturyLink Management Forecasts)	\$ 51.66	\$ 83.67
DCF Analysis (Level 3 Management Forecasts / Analyst Estimates for CenturyLink)	\$ 51.66	\$ 75.45

Other Factors. Citi observed certain additional factors that were not part of its financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

Trading Range Analysis trading prices for the 52-week period prior to the Unaffected Date for Level 3 common stock, which ranged from \$42.74 to \$57.18 per share;

Research Price Target Analysis publicly available research analyst estimates of Level 3's one-year forward stock price targets which ranged from \$54.00 to \$66.00 per share;

Precedent Premiums Analysis premiums paid in precedent transactions announced since 2001 (with transaction values greater than \$500 million) involving public companies where the target company received consideration that was in both cash and stock. Citi observed a range of the average implied 4-week premiums paid in such transactions of 19.3% to 41.5% (with a median of 29.9%), and applied a selected range of 25% to 35% to the closing price of Level 3 common stock of \$47.66 per share on September 28, 2016 (4 weeks prior to the Unaffected Date), which indicated implied equity values per share of \$59.57 to \$64.34; and

Selected Public Comparables Analysis trading multiples of other publicly traded companies in the enterprise / fiber telecommunications industry, Zayo Group Holdings, Inc. and Cogent Communications Holdings, Inc., based on publicly available information and publicly available Wall Street research analysts' estimates. Citi determined in its professional judgment that neither of the two companies could be considered sufficiently comparable to Level 3 in light of the fact that Level 3's historic Firm Value / Pre-SBC EBITDA multiple was

consistently lower than the same multiples of Zayo Group Holdings, Inc. and Cogent Communications Holdings, Inc. Because the two companies could be considered relevant for comparative purposes as publicly traded companies in the enterprise / fiber telecommunications industry, Citi did consider: (a) the implied equity value per share of Level 3 using Zayo Group Holdings, Inc.'s and Cogent Communication Holdings, Inc.'s Firm Value / calendar year 2017 Pre-SBC EBITDA multiples of 10.6x and 12.2x, respectively, of \$61.54 to \$75.10, and (b) the implied equity value per share of Level 3 using the implied calendar year 2017 Firm Value / Pre-SBC EBITDA multiples of the two companies adjusted to account for the historic multiple gap (as measured over a 2-year period) between Level 3 and the two companies' Firm Value / Pre-SBC EBITDA multiples (0.9x and 3.0x for Zayo Group Holdings, Inc. and Cogent Communications Holdings, Inc., respectively), of \$50.18 to \$53.79. In this section of the joint proxy statement/prospectus, with respect to any company, we refer to the market value of the fully diluted common

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equity plus the book value of any preferred stock, if applicable, and debt less cash and cash equivalents as the Firm Value of such company.

CenturyLink Financial Analyses

Citi also performed the following financial analyses with respect to CenturyLink in order to evaluate the market price of CenturyLink common stock.

Selected Public Comparables Analysis. Citi reviewed and compared certain financial information for CenturyLink to corresponding financial information and public market multiples for the following publicly traded companies that Citi in its professional judgment deemed generally relevant for comparative purposes as publicly traded companies in the wireline telecommunications industry, which we refer to as the CenturyLink selected public companies:

Frontier Communications Corporation

Windstream Holdings, Inc.

Using publicly available information and Wall Street research, Citi calculated the Firm Value / Post-SBC EBITDA multiple based on such companies' estimated Post-SBC EBITDA for calendar year 2017, which were 4.8x and 6.0x for Windstream Holdings, Inc. and Frontier Communications Corporation, respectively.

Citi then multiplied CenturyLink's 2017 calendar year Post-SBC EBITDA (based on the CenturyLink Management Forecasts) by 4.8x and 6.0x, which resulted in implied equity values per share of \$20.96 to \$34.53, as compared to the closing price of CenturyLink common stock of \$28.25 per share on the Unaffected Date.

For informational purposes only, and not as part of its financial analyses with respect to its opinion, Citi also reviewed the Firm Value / Post-SBC EBITDA multiple (and the implied equity value per share of Century Link) of one additional publicly traded company, Cincinnati Bell, but in its professional judgment excluded the company from its selected public comparables analysis as not being sufficiently comparable to CenturyLink for such purpose.

Discounted Cash Flow Analysis. Citi performed a discounted cash flow analysis of the Analyst Estimates for CenturyLink to derive implied equity values per share of CenturyLink as of June 30, 2016. Citi added the present values (in each case as of June 30, 2016) of (i) the unlevered free cash flow for the six months ended December 31, 2016 and the calendar years 2017 through 2020 and (ii) the terminal value of CenturyLink at the end of the forecast period. For purposes of this analysis, the terminal value calculation applied perpetuity growth rates ranging from (0.50)% to 0.50% to Citi's estimate of normalized unlevered free cash flow. Citi's present value calculations assumed discount rates of 5.50% to 6.50%, based upon an analysis of CenturyLink's weighted average cost of capital. Additionally, Citi treated CenturyLink's non-cash stock-based compensation expense as a cash expense in calculating CenturyLink's unlevered free cash flow for all periods. To derive the range of implied equity values, Citi then subtracted the amount of net debt of CenturyLink as of June 30, 2016, adjusted for the incurrence of additional debt and receipt of the proceeds thereof by CenturyLink in August 2016, and divided the range of equity values it derived by the number of fully diluted outstanding shares of CenturyLink (as of September 30, 2016), to derive a range of implied equity values per share of \$23.52 to \$43.90, as compared to the closing price of \$28.25 per share on the Unaffected Date.

For informational purposes only, and not as part of its financial analyses with respect to its opinion, Citi also performed a discounted cash flow analysis using the CenturyLink Management Forecasts following the same

approach as described above, which resulted in a higher range of equity values per share of CenturyLink common stock. For purposes of its opinion, and with the consent of the Level 3 Board, Citi relied solely on the discounted cash flow analysis using the Analyst Estimates for CenturyLink.

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Other Factors. Citi observed certain additional factors that were not considered part of its financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

Trading Range Analysis trading prices for the 52-week period prior to the Unaffected Date for CenturyLink common stock, which ranged from \$22.24 to \$32.80 per share; and

Research Price Target Analysis publicly available research analyst estimates of CenturyLink's one-year forward stock price targets, which ranged from \$24.00 to \$42.00 per share.

Opinion of Lazard Frères & Co. LLC

On October 30, 2016, Lazard Frères & Co. LLC ("Lazard"), financial advisor to Level 3, rendered its oral opinion, subsequently confirmed in writing by delivery of a written opinion, dated October 30, 2016, to the board of directors of Level 3, that, as of such date, and based upon and subject to the assumptions, procedures, factors, qualifications and limitations set forth therein, the per share merger consideration of \$26.50 in cash and 1.4286 shares of CenturyLink common stock (referred to in this section as the merger consideration) to be paid to holders of shares of Level 3 common stock, other than the excluded holders, in the merger was fair, from a financial point of view, to such holders. For purposes of this section, excluded holders means holders of shares of Level 3 common stock that have properly perfected their rights of appraisal within the meaning of Section 262 of the Delaware law.

The full text of Lazard's written opinion, dated October 30, 2016, which sets forth the assumptions made, procedures followed, factors considered and qualifications and limitations on the scope of review undertaken by Lazard in connection with its opinion, is attached to this joint proxy statement/prospectus as Annex D and is incorporated into this joint proxy statement/prospectus by reference. The description of Lazard's opinion set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of Lazard's written opinion attached as Annex D. You are encouraged to read Lazard's opinion and this section carefully and in their entirety.

Lazard's opinion was for the benefit of the Level 3 Board (in its capacity as such) in connection with the Level 3 Board's evaluation of the merger and the other transactions contemplated by the merger agreement (which are referred to in this section as the transaction) and only addressed the fairness, from a financial point of view, to holders of Level 3 common stock of the merger consideration. Lazard's opinion was not intended to and does not constitute a recommendation to any stockholder as to how such person 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 its opinion. Lazard assumed no responsibility for updating or revising its opinion based on circumstances or events occurring after the date thereof. In connection with its engagement, Lazard was not authorized to, and did not, solicit indications of interest from third parties regarding a potential transaction with Level 3. Lazard did not express any opinion as to the prices at which shares of the Level 3 common stock or CenturyLink common stock may trade at any time subsequent to the announcement of the merger. In addition, Lazard's opinion did not address the relative merits of the transaction as compared to any other transaction or business strategy in which Level 3 might engage or the merits of the underlying decision by Level 3 to engage in the merger and related transactions contemplated by the merger agreement.

In connection with its opinion, Lazard:

Reviewed the financial terms and conditions of a draft of the merger agreement, dated October, 30, 2016 (6:05 pm);

Reviewed certain publicly available historical business and financial information relating to Level 3 and CenturyLink;

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Reviewed various financial forecasts and other data provided to it by Level 3 relating to the business of Level 3, financial forecasts and other data provided to it by CenturyLink relating to the business of CenturyLink, certain publicly available financial forecasts relating to the businesses of Level 3 and CenturyLink, including, in the case of CenturyLink, as adjusted by Level 3 management, and the projected synergies and other benefits, including the amount and timing thereof, anticipated by the managements of CenturyLink and Level 3 to be realized from the transaction;

Held discussions with members of the senior management of Level 3 with respect to the businesses and prospects of Level 3 and CenturyLink, with members of the senior management of CenturyLink with respect to the business and prospects of CenturyLink, and with members of the senior management of Level 3 and CenturyLink with respect to the projected synergies and other benefits anticipated by the managements of CenturyLink and Level 3 to be realized from the transaction;

Reviewed public information with respect to certain other companies in lines of business it believed to be generally relevant in evaluating the businesses of Level 3 and CenturyLink, respectively;

Reviewed the financial terms of certain business combinations involving companies in lines of business it believed to be generally relevant in evaluating the business of Level 3;

Reviewed historical stock prices and trading volumes of the Level 3 common stock and the CenturyLink common stock;

Reviewed the potential pro forma financial impact of the transaction on CenturyLink based on the financial forecasts referred to above relating to Level 3 and CenturyLink; and

Conducted such other financial studies, analyses and investigations as it 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 Level 3 or CenturyLink or concerning the solvency or fair value of Level 3 or CenturyLink, and Lazard was not furnished with any such valuation or appraisal. With respect to the financial forecasts utilized in Lazard's analyses, including those related to projected synergies and other benefits, as well as costs incurred to realize those synergies, anticipated by the managements of Level 3 or CenturyLink to be realized from the transaction, Lazard assumed, with the consent of Level 3, that they were reasonably prepared on bases reflecting the best currently available estimates and judgments as to the future financial performance of Level 3 and CenturyLink, respectively, and such synergies, costs to achieve synergies, and other benefits. At the direction of Level 3, for purposes of Lazard's analysis and Lazard's review of the business of CenturyLink, Lazard relied upon publicly available financial forecasts, as adjusted by Level 3 management and, with the consent of Level 3, assumed that such forecasts were a reasonable basis upon which to evaluate the future financial performance of CenturyLink. Lazard assumed no responsibility for and expressed no view as to any such forecasts or the assumptions on which they are based.

In rendering its opinion, Lazard assumed, with the consent of Level 3, that the transaction will be consummated on the terms described in the merger agreement, without any waiver or modification of any material terms or conditions. Representatives of Level 3 advised Lazard, and Lazard assumed, that the merger agreement, when executed, conformed to the draft reviewed by Lazard in all material respects. Lazard also assumed, with the consent of Level 3, that obtaining the necessary governmental, regulatory or third party approvals and consents for the transaction will not have an adverse effect on Level 3, CenturyLink or the transaction. Lazard further assumed, with the consent of Level 3, that the transaction will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. Lazard did not express any opinion as to any tax or other consequences that might result from the transaction, nor does Lazard's opinion address any legal, tax, regulatory or accounting matters, as to which Lazard understood that Level 3 obtained such advice as it deemed necessary from qualified professionals. Lazard expressed no view or opinion as to any terms or other aspects (other than the merger consideration to the extent expressly specified in the opinion) of the transaction, including, without limitation, the form or structure of the

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transaction or any agreements or arrangements entered into in connection with, or contemplated by, the transaction, or the manner set forth in the merger agreement for providing cash in lieu of fractional shares of CenturyLink common stock to holders of Level 3 common stock. 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 compensation to any officers, directors or employees of any parties to the transaction, or class of such persons, relative to the merger consideration or otherwise.

The following is a brief summary of the material financial analyses and reviews that Lazard deemed appropriate in connection with rendering its opinion. The brief summary of Lazard's analyses and reviews provided below is 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 analysis and review and the application of those methods to particular circumstances, and, therefore, is not readily susceptible to 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 any 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 Level 3 and CenturyLink. No company, business or transaction used in Lazard's analyses and reviews as a comparison is identical to Level 3, CenturyLink, or the merger and related transactions contemplated by the merger agreement, and an evaluation of the results of those analyses and reviews is not entirely mathematical. Rather, the analyses and reviews involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the transaction, public trading or other values of the companies, business 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 and reviews relating to the value of companies, businesses or securities do not purport to be appraisals or to reflect the prices at which companies, business or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Lazard's analyses and reviews are inherently subject to substantial uncertainty.

Summary of Lazard Financial Analyses

The summary of the analyses and reviews provided below includes information presented in tabular format. In order to fully understand Lazard's analyses and reviews, the tables must be read together with the full text of each summary. The tables alone do not constitute a complete description of Lazard's analyses and reviews. Considering the date in the tables below without considering the full description of the analyses and reviews, including the methodologies and assumptions underlying the analyses and reviews, could create a misleading or incomplete view of Lazard's analyses and reviews.

Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 26, 2016, the last trading day before a press report about the transaction appeared, and is not necessarily indicative of current market conditions.

Selected Comparable Company Multiples Analysis

Lazard reviewed and analyzed certain financial information, valuation multiples and market trading data related to selected comparable publicly traded network infrastructure companies whose operations Lazard

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believed, based on its experience with companies in the network infrastructure industry and professional judgment, to be generally relevant in analyzing Level 3's and CenturyLink's operations for purposes of its analysis. Lazard compared such information of the selected comparable companies to the corresponding information for Level 3 and CenturyLink.

The selected group of companies used in this analysis with respect to Level 3, or the Level 3 comparable companies, was as follows:

Cogent Communications Holdings, Inc.; and

Zayo Group Holdings, Inc.

In addition, we also considered the multiples and growth rates of the following related businesses: Comcast Corporation, Charter Communications, Inc., AT&T Inc., Verizon Communications, Inc., Digital Realty Trust, Inc., DuPont Fabros Technology, Inc., CoreSite Realty Corporation, QTS Realty Trust, Inc., Equinix, Inc., and CyrusOne Inc.

The selected group of companies used in this analysis with respect to CenturyLink, or the CenturyLink comparable companies, was as follows:

Frontier Communications Corporation;

Cincinnati Bell Inc.;

Consolidated Communications Holdings, Inc.;

FairPoint Communications, Inc.;

AT&T Inc.; and

Verizon Communications, Inc.

In addition, as part of the analysis with respect to CenturyLink, we also analyzed the pro forma metrics resulting from the combination of Communication Sales & Leasing, Inc. and Windstream Services, LLC.

Lazard selected the companies reviewed in this analysis because, among other things, the Level 3 comparable companies and the CenturyLink comparable companies operate businesses similar to the businesses of Level 3 and CenturyLink, respectively. However, no selected company is identical to Level 3 or CenturyLink. Accordingly, Lazard believes that purely quantitative analyses are not, in isolation, determinative in the context of the transaction and that qualitative judgments concerning differences between the business, financial and operating characteristics and

prospects of each of Level 3 and CenturyLink and the Level 3 comparable companies and the CenturyLink comparable companies, respectively, that could affect the public trading values of each company are also relevant.

For each of the selected companies, Lazard calculated and compared the ratio of such company's enterprise value, which Lazard calculated as the market capitalization of each company (based on each company's closing share price as of October 26, 2016 and fully diluted share count as of June 30, 2016 (or the applicable date specified in its annual report on Form 10-K or quarterly report on Form 10-Q), as applicable, for the calendar year or quarter ended June 30, 2016, respectively), plus debt, non-controlling interest and preferred or preference stock, less cash, cash equivalents and marketable securities and appropriately adjusted for the net present value of net operating losses, if any, in each case, as of June 30, 2016, to its calendar year 2017 estimated earnings before interest, taxes, depreciation and amortization, or EBITDA.

The 2017 EBITDA estimates for each of the Level 3 and the CenturyLink comparable companies used by Lazard in its analysis were based on Wall Street research, which represents publicly available consensus estimates. The 2017 EBITDA estimate used for Level 3 was based on the Level 3 management plan and the 2017 EBITDA estimate for CenturyLink was based on Wall Street estimates as adjusted by Level 3 management.

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Based on Lazard's analysis of the relevant metrics for each of the Level 3 comparable companies, as well as its professional judgment and experience, Lazard derived ranges of multiples of:

8.0x to 10.0x for enterprise value to estimated 2017 EBITDA of Level 3.

Based on Lazard's analysis of the relevant metrics for each of the CenturyLink comparable companies, as well as its professional judgment and experience, Lazard derived ranges of multiples of:

5.0x to 6.0x for enterprise value to estimated 2017 EBITDA of CenturyLink.

Lazard applied each such range of multiples for the Level 3 comparable companies and the CenturyLink comparable companies to the relevant financial statistics of Level 3 and CenturyLink, respectively, as reflected in the Level 3 management plan for Level 3, and the CenturyLink Wall Street estimates as adjusted by Level 3 management for CenturyLink.

This analysis resulted in an implied price per share range for shares of Level 3 common stock and CenturyLink common stock and implied exchange ratios, as set forth below:

Implied			
Implied Level 3 Price	CenturyLink		
Per Share Range	Price Per Share Range	Implied Exchange Ratios	
\$44.49 - \$60.21	\$23.12 - \$34.89	<u>Low</u>	<u>High</u>
		LVLT/Share	\$44.49 \$60.21
		Less: Cash/Share	(\$26.50) (\$26.50)
		Stock/Share	\$17.99 \$33.71
		CTL/Share	\$23.12 \$34.89
		Implied Exchange Ratio	0.52x 1.46x

Lazard also calculated an implied exchange ratio reference range based on the selected comparable company multiples analysis described above by dividing the low end of the implied Level 3 price per share range resulting from the selected comparable company multiples analysis described above (less \$26.50 per share in cash) by the high end of the implied CenturyLink price per share range resulting from the selected comparable company multiples analysis described above and by dividing the high end of the implied Level 3 price per share range resulting from the selected comparable company multiples analysis described above (less \$26.50 per share in cash) by the low end of the implied CenturyLink price per share range resulting from the selected comparable company multiples analysis described above. This analysis indicated an implied exchange ratio range of 0.52x to 1.46x and an implied pro forma ownership range for the Level 3 stockholders of 25.6% to 49.3%. The exchange ratio provided for in the merger agreement is 1.4286x resulting in a pro forma ownership by Level 3 stockholders of 49%.

Discounted Cash Flow Analysis

Lazard performed a discounted cash flow analysis of each of Level 3 and CenturyLink, which is a valuation methodology used to derive a valuation of a company by calculating the present value of its estimated future cash

flows. Future cash flows refers to projected unlevered free cash flows of a company. 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. Lazard calculated the discounted cash flow value for each of Level 3 and CenturyLink as the sum of the net present value, as of September 30, 2016, which we refer to as the discount date in this joint proxy statement/prospectus, of each of:

the estimated future cash flows that the applicable company will generate for Q4 2016 and each of the following years through 2021 with respect to Level 3 and 2020 with respect to CenturyLink; and

the estimated terminal value beyond 2021 with respect to Level 3 and beyond 2020 with respect to CenturyLink.

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The estimated future cash flow for Level 3 and CenturyLink was calculated by Lazard based on the Level 3 management plan and the CenturyLink Wall Street estimates as adjusted by Level 3 management, respectively, as summarized above. For its discounted cash flow calculations for both companies, Lazard applied discount rates ranging from 6.5% to 8.0% for Level 3 and 6.0% to 7.0% for CenturyLink. Such discount rates were based on Lazard's estimated range of the weighted average cost of capital of each company.

The terminal value of the companies was calculated applying terminal year EBITDA multiples ranging from 8.0x to 10.0x to Level 3's projected terminal year EBITDA of \$3.794 billion and 5.0x to 7.0x to CenturyLink's projected terminal year EBITDA of \$6.391 billion. The exit terminal year EBITDA multiples for Level 3 and CenturyLink were selected by Lazard by reference to enterprise value to EBITDA trading multiples calculated for Level 3 and CenturyLink, as well as the enterprise value to EBITDA trading multiples of the Level 3 comparable companies and the CenturyLink comparable companies, respectively. In addition, Lazard considered the implied perpetuity growth rates suggested by the exit multiple ranges for Level 3 (1.5%-3.9%) and CenturyLink (-0.6%-2.2%). As part of the total implied equity value calculated for Level 3 and CenturyLink, Lazard calculated and deducted from enterprise value the sum of the book value of the outstanding financial debt less cash and cash equivalents.

This analysis resulted in an implied price per share range for shares of Level 3 common stock and CenturyLink common stock and implied exchange ratios, as set forth below:

Implied Level 3 Price Per Share	Implied CenturyLink Price	Implied Exchange Ratios	
Range	Per Share Range	Low	High
\$54.64 - \$74.99	\$22.58 - \$43.24		
		LVLT/Share	\$54.64 \$74.99
		Less: Cash/Share	(\$26.50) (\$26.50)
		Stock/Share	\$28.14 \$48.49
		CTL/Share	\$22.58 \$43.24
		Implied Exchange Ratio	0.65x 2.15x

Lazard also calculated an implied exchange ratio reference range based on the discounted cash flow analysis described above by dividing the low end of the price per share range of Level 3 resulting from the discounted cash flow analysis described above (less \$26.50 per share in cash) by the high end of the price per share range of CenturyLink resulting from the discounted cash flow analysis described above and the high end of the price per share range of Level 3 resulting from the discounted cash flow analysis described above (less \$26.50 per share in cash) by the low end of the price per share range of CenturyLink resulting from the discounted cash flow analyses described above. This analysis resulted in an implied exchange ratio of 0.65x to 2.15x and an implied pro forma ownership range for the Level 3 stockholders of 30.3% to 58.9%. The exchange ratio provided for in the merger agreement is 1.4286x resulting in a pro forma ownership for the Level 3 stockholders of 49%.

For the information of the Level 3 Board, Lazard also presented a Level 3 discounted cash flow analysis based on the Wall Street estimates for Level 3, which resulted in an implied Level 3 price per share range of \$49.80 to \$68.71. In addition, for the information of the Level 3 Board, Lazard presented CenturyLink discounted cash flow analyses based on CenturyLink's management projections for CenturyLink, which resulted in an implied CenturyLink price per share range of \$25.43 to \$47.04 and on the unadjusted Wall Street estimates, which resulted in an implied CenturyLink price per share range of \$26.96 to \$48.39. This information was provided for informational purposes only and did not

provide the basis for the rendering of Lazard's opinion.

Additionally, for the information of the Level 3 Board, Lazard also calculated the implied exchange ratio using the discounted cash flow analysis based on the Level 3 management projections for Level 3 and the CenturyLink management projections for CenturyLink, which resulted in an implied exchange ratio range of 0.60x to 1.91x and a pro forma ownership range for the Level 3 stockholders of 28.6% to 56.0%. In addition, also for the information of the Level 3 Board, Lazard calculated the implied exchange ratio using the discounted cash

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flow analysis based on Level 3 Wall Street estimates for Level 3 and unadjusted CenturyLink Wall Street estimates for CenturyLink, which resulted in an implied exchange ratio range of 0.48x to 1.57x and a pro forma ownership range for the Level 3 stockholders of 24.3% to 51.1%. Finally, for the further information of the Level 3 Board, Lazard calculated a Level 3 and CenturyLink implied exchange ratio, using the discounted cash flow analysis based on the Level 3 management plan for Level 3 and unadjusted CenturyLink Wall Street estimates for CenturyLink, which resulted in an implied exchange ratio range of 0.58x to 1.80x and a pro forma ownership range for the Level 3 stockholders of 28.0% to 54.6%. For purposes of each of these calculations, the implied per share reference ranges for Level 3 were reduced by \$26.50 per share, the amount of the cash component of the merger consideration. This information was provided for informational purposes only and did not provide the basis for the rendering of Lazard's opinion.

Selected Precedent Transactions Multiples Analysis

Lazard reviewed and analyzed selected precedent merger and acquisition transactions involving companies in the network infrastructure industry it viewed as generally relevant in analyzing Level 3. In performing this analysis, Lazard reviewed certain financial information and transaction multiples relating to the companies involved in such selected transactions and compared such information to the corresponding information for Level 3. Specifically, Lazard selected and reviewed eleven merger and acquisition transactions announced since August 2010 involving companies in the network infrastructure industry for which sufficient public information was available.

The selected group of transactions reviewed in this analysis was as follows:

Announcement Date	Acquirer	Target
August 26, 2010	Court Square Capital Partners, L.P.	Fibertech Networks, LLC
April 11, 2011	Level 3 Communications, Inc.	Global Crossing Limited
October 7, 2011	Zayo Group Holdings, Inc.	360networks Holdings (USA), Inc.
March 19, 2012	Zayo Group Holdings, Inc.	AboveNet, Inc.
December 27, 2012	Berkshire Partners LLC	Lightower Fiber Networks LLC
December 27, 2012	Berkshire Partners LLC	Sidera Networks, Inc.
October 7, 2013	Time Warner Cable Inc.	DukeNet Communications, LLC
June 16, 2014	Level 3 Communications, Inc.	tw telecom inc.
April 27, 2015	Lightower Fiber Networks LLC	Fibertech Networks, LLC
April 30, 2015	Crown Castle International Corp.	Quanta Fiber Networks, Inc. (Sunesys)
November 23, 2015	Zayo Group Holdings, Inc.	Allstream, Inc.

To the extent publicly available, Lazard reviewed, among other things, the forward and trailing EBITDA multiples of each of the target companies implied by the selected transactions by comparing the relevant target company's total enterprise value (based on the acquisition price) to its forward and trailing EBITDA at the time of the transaction. Estimated EBITDA amounts for the target companies were based on company filings, Wall Street estimates or other publicly available financial information.

Based on an analysis of the relevant metrics for each of the transactions, Level 3 management's forecasted growth, as well as its professional judgment and experience, Lazard applied a range of 10.0x-12.0x to the last twelve months EBITDA of Level 3.

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Based on the applied range described above, Lazard calculated the implied price per share range for shares of Level 3 common stock and the implied exchange ratios based on CenturyLink's closing price on October 26, 2016, as set forth below:

Implied Level 3**Price Per Share****CenturyLink Closing**

Range	Price (10/26/2016)	Implied Exchange Ratios	
		Low	High
\$53.99 - \$68.47	\$28.25		
		LVLT/Share	\$53.99 \$68.47
		Less: Cash/Share	(\$26.50) (\$26.50)
		Stock/Share	\$27.49 \$41.97
		CTL/Share	\$28.25 \$28.25
		Implied Exchange Ratio	0.97x 1.49x

Lazard also calculated an implied exchange ratio reference range based on the selected precedent transaction analysis described above by dividing the low end of the implied Level 3 price per share range resulting from the precedent transaction analysis described above (less \$26.50 per share in cash) by the closing price of CenturyLink common stock on October 26, 2016 and by dividing the high end of the implied Level 3 price per share range resulting from the precedent transaction analysis described above (less \$26.50 per share in cash) by the closing price of CenturyLink common stock on October 26, 2016. This analysis indicated an implied exchange ratio range of 0.97x to 1.49x and an implied pro forma ownership range for the Level 3 stockholders of 39.4% to 49.8%. The exchange ratio provided for in the merger agreement is 1.4286x resulting in a pro forma ownership by Level 3 stockholders of 49%.

Other Analyses

The analyses and data described below were presented to the Level 3 Board for informational purposes only and did not provide the basis for, and were not otherwise material to, the rendering of Lazard's opinion.

52-Week High/Low Trading Prices

Lazard reviewed the range of trading prices of shares of Level 3 common stock for the 52 weeks ended on October 26, 2016. Lazard observed that, during such period, the daily closing share prices of Level 3 common stock ranged from \$42.74 per share to \$57.18 per share, as compared to the merger consideration of \$66.86, consisting of \$26.50 in cash and 1.4286 shares of CenturyLink common stock (equivalent to \$40.36 per share based upon CenturyLink's closing share price on October 26, 2016). Lazard also observed that, during such period, the daily closing share prices of CenturyLink common stock ranged from \$22.24 per share to \$32.80 per share.

Lazard also calculated an implied exchange ratio reference range based on trading prices by dividing the low end of the 52-week trading price per share range for Level 3 (less \$26.50 per share in cash) by the high end of the 52-week trading price per share range for CenturyLink and by dividing the high end of the 52-week trading price per share range for Level 3 (less \$26.50 per share in cash) by the low end of the 52-week trading price per share range for CenturyLink. This analysis indicated an implied exchange ratio reference range of 0.50x to 1.38x and a pro forma ownership range for the Level 3 stockholders of 24.9% to 48.0%.

Research Analyst Price Targets

Lazard reviewed recently available equity analyst price targets based on published, publicly available Wall Street equity research reports prepared by equity analysts covering Level 3, which indicated 12-month target prices that ranged from \$54.00 to \$63.00, as compared to the merger consideration of \$66.86, consisting of \$26.50 in cash and 1.4286 shares of CenturyLink common stock (equivalent to \$40.36 per share based upon CenturyLink's closing share price on October 26, 2016).

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Lazard also reviewed recently available equity analyst price targets based on published, publicly available Wall Street equity research reports prepared by equity analysts covering CenturyLink, which indicated 12-month target prices that ranged from \$24.00 to \$36.00.

Lazard also calculated an implied exchange ratio reference range based on research analyst price targets by dividing the low end of the share price target range for Level 3 (less \$26.50 per share in cash) by the high end of the share price target range for CenturyLink and by dividing the high end of the share price target range for Level 3 (less \$26.50 per share in cash) by the low end of the share price target range for CenturyLink. This analysis indicated an implied exchange ratio reference range of 0.76x to 1.52x and a pro forma ownership range for the Level 3 stockholders of 33.8% to 50.4%.

Premiums Paid Analysis

Lazard reviewed a range of premiums paid in transactions closed during the last five years with target company equity values between \$10 billion and \$30 billion. Using a 26.9% - 31.8% premium range based on the median / mean of premiums paid in the transactions referenced above and the Level 3 closing price per share on October 26, 2016 of \$46.92, resulted in an implied price per share range for shares of Level 3 common stock of \$59.56 to \$61.83, as compared to the merger consideration of \$66.86, consisting of \$26.50 in cash and 1.4286 CenturyLink common shares (equivalent to \$40.36 per share based upon CenturyLink's closing share price on October 26, 2016).

Lazard also calculated an implied exchange ratio reference range based on premiums paid by dividing the low end of the range resulting from the premiums paid analysis described above for Level 3 (less \$26.50 per share in cash) by the closing price of CenturyLink common stock on October 26, 2016 and by dividing the high end of the range resulting from the premiums paid analysis described above for Level 3 (less \$26.50 per share in cash) by the closing price of CenturyLink common stock on October 26, 2016. This analysis indicated an implied exchange ratio reference range of 1.17x to 1.25x and a pro forma ownership range for Level 3 stockholders of 43.9% to 45.5%.

Miscellaneous

The scope of Lazard's engagement by Level 3 was limited to advising the Level 3 Board with respect to the fairness, from a financial point of view, to holders of Level 3 common stock of the merger consideration to be paid to such holders in the mergers. In connection with Lazard's services as financial advisor to the Level 3 Board, Level 3 agreed to pay Lazard a fee for such services in the amount of \$7 million, payable upon the date on which Lazard rendered its opinion (regardless of the conclusion therein). Level 3 has 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 various liabilities that may arise from or be related to Lazard's engagement, including certain liabilities under U.S. federal securities laws. Other than its engagement as financial advisor to Level 3 in connection with the transaction, no material relationships existed between Lazard's financial advisory business and either CenturyLink or Level 3 pursuant to which any compensation was received by Lazard during the preceding two years. Prior to being engaged by Level 3 to act as financial advisor in connection with the transaction, Lazard disclosed to Level 3 Board that during the preceding year, representatives of Lazard's financial advisory business, including certain members of the team that would be providing services to Level 3, had met with representatives of CenturyLink and discussed matters that included, among other things, potential strategic combinations, including with Level 3, among others. Lazard informed the Level 3 Board that these meetings were not pursuant to, and did not result in, an engagement by CenturyLink of Lazard, and that the materials prepared for those meetings were based solely on publicly available information. Lazard may in the future provide services to Level 3 or CenturyLink for which it may receive compensation.

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

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listed and unlisted securities, private placements, leveraged buyouts, and valuations for estate, corporate and other purposes. In addition, in the ordinary course, Lazard and its respective affiliates and employees may trade securities of Level 3, CenturyLink and certain of their respective affiliates for their own accounts and for the accounts of their customers, may at any time hold a long or short position in such securities, and may also trade and hold securities on behalf of Level 3, CenturyLink and certain of their respective affiliates. The issuance of Lazard's opinion was approved by the opinion committee of Lazard.

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 the Level 3 Board because of its qualifications, expertise and reputation in investment banking and mergers and acquisitions generally and in the telecommunications industry specifically, as well as its familiarity with the business of Level 3.

Level 3 and CenturyLink determined the merger consideration of \$26.50 in cash and 1.4286 of a CenturyLink common share to be paid to holders of Level 3 common stock, in the merger through arm's-length negotiations, and the Level 3 Board approved such merger consideration. Lazard did not recommend any specific consideration to the Level 3 Board or any other person or indicate that any given consideration constituted the only appropriate consideration for the merger. Lazard's opinion was one of many factors considered by the Level 3 Board, as discussed further in *Level 3's Reasons for the Combination; Recommendation of the Combination by the Level 3 Board* beginning on page 61.

Analyst Estimates for CenturyLink

In connection with their evaluation of the fairness of the merger consideration, Level 3's financial advisors reviewed financial projections with respect to CenturyLink referred to as the Analyst Estimates for CenturyLink, which were based on consensus published equity research analyst estimates of the future financial performance of CenturyLink and which were adjusted by Level 3 management. At the direction of the management of Level 3 and with the consent of the Level 3 Board, for purposes of its opinion, Citi relied on the Analyst Estimates for CenturyLink, and assumed that the financial results reflected in the Analyst Estimates for CenturyLink, together with the Synergies, will be realized in the amounts and at the times projected. At the direction of Level 3, for purposes of Lazard's analysis and Lazard's review of the business of CenturyLink, Lazard relied upon the Analyst Estimates for CenturyLink and, with the consent of Level 3, assumed that the Analyst Estimates for CenturyLink were a reasonable basis upon which to evaluate the future financial performance of CenturyLink.

The following table summarizes the Analyst Estimates for CenturyLink, which reflect the average of four research analysts that each published estimates for CenturyLink through 2020. The Analyst Estimates for CenturyLink did not give effect to the divestiture by CenturyLink of its data centers and colocation business. For the period through 2018, as to which a larger number of analyst estimates were published, the average estimates of these four research analysts were consistent with consensus equity research analyst estimates.

	2017(E)	2018(E)	2019(E)	2020(E)
	(In millions)			
Revenue	\$ 17,381	\$ 17,358	\$ 17,390	\$ 17,490
EBITDA	\$ 6,450	\$ 6,424	\$ 6,396	\$ 6,391
Capital Expenditures	\$ 2,965	\$ 2,900	\$ 2,874	\$ 2,838

Additionally, the Level 3 financial advisors calculated or assumed other items impacting the projections, such as cash taxes, interest expense, working capital, pension funding and other cash sources and uses, in order to derive Free Cash Flow projections that were consistent with such average equity research analyst estimates for the periods shown

above.

CenturyLink's management was not involved in the preparation of the Analyst Estimates for CenturyLink, which were prepared based on published analyst reports. The Analyst Estimates for CenturyLink were not

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prepared with a view toward public disclosure, nor were they prepared with a view toward compliance with published guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or GAAP. In addition, the Analyst Estimates for CenturyLink were not prepared with the assistance of, or reviewed, compiled or examined by, independent accountants. The summary of these Analyst Estimates for CenturyLink is not being included in this joint proxy statement/prospectus to influence your decision whether to vote in favor of any proposal, but, at the direction of Level 3 management, and with the consent of the Level 3 Board, these Analyst Estimates for CenturyLink were considered by Level 3's financial advisors for purposes of their respective evaluations of the fairness of the merger consideration. You should be aware that no attempts have been made to update the Analyst Estimates for CenturyLink, which may no longer reflect current market conditions.

Financial Interests of CenturyLink Directors and Executive Officers in the Combination

Certain members of the CenturyLink Board and certain executive officers of CenturyLink may be deemed to have financial interests in the combination that are in addition to, or different from, the interests of CenturyLink shareholders generally. The CenturyLink Board was aware of and considered these interests, among other matters, in evaluating and negotiating the merger agreement and the combination, in approving the merger agreement, and in recommending that the shareholders approve the issuance of CenturyLink common stock to the Level 3 stockholders in connection with the combination.

Positions with the Combined Company

Upon completion of the combination, R. Stewart Ewing, Jr., CenturyLink's current Executive Vice President, Chief Financial Officer and Assistant Secretary, plans to retire. Following Mr. Ewing's retirement, Mr. Sunit Patel, Executive Vice President and Chief Financial Officer of Level 3, will serve as Chief Financial Officer of the combined company. Following the completion of the combination, the members of the CenturyLink Board are expected to continue as directors of the combined company and the executive officers of CenturyLink, other than Mr. Ewing, are expected to continue to be executive officers of the combined company. Decisions on executive officers are subject to change as the parties complete integration planning and as decisions are made concerning the management structure of the company.

Severance Benefits

In the event that the employment of any executive officer of CenturyLink is terminated in connection with the combination, CenturyLink would be committed to pay certain severance benefits under existing programs described in CenturyLink's prior SEC filings, and, in addition, the compensation committee of the CenturyLink Board could elect, depending on the facts and circumstances associated with the termination, to award additional severance benefits. As of the date of this filing, the executive officers of CenturyLink, other than Mr. Ewing, are expected to continue to be executive officers of the combined company, and no such awards have been granted.

Retention Programs

In November 2016, the compensation committee of the CenturyLink Board approved a cash retention program in the aggregate amount of up to \$15 million, and discussed establishing in 2017 a separate equity retention program in the aggregate amount of up to \$20 million. CenturyLink does not currently plan to make its executive officers eligible to participate in the cash retention program, but reserves the right to do so. Assuming CenturyLink subsequently establishes an equity retention plan, CenturyLink's executive officers are expected to be eligible to participate in the equity retention program, and the compensation committee of the CenturyLink board may elect to name some or all of

them as participants. As of the date hereof, CenturyLink has not granted any cash or equity retention awards to any of its executive officers in connection with the combination.

Financial Interests of Level 3 Directors and Executive Officers in the Combination

Certain members of the Level 3 Board and certain executive officers of Level 3 may be deemed to have interests in the combination that are in addition to, or different from, the interests of other Level 3 stockholders

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generally. The Level 3 Board was aware of these interests and considered them, among other matters, in approving the combination and the merger agreement and in making the recommendations that Level 3's stockholders approve and adopt the merger agreement and approve the combination and the other transactions contemplated by the merger agreement. For purposes of the plans and agreements described below, to the extent applicable, the completion of the transactions contemplated by the merger agreement will constitute a change of control or term of similar meaning. These interests are described in further detail below, and certain of them are quantified in the narrative and table below. For purposes of this disclosure, Level 3's executive officers are (a) Jeff K. Storey, President and Chief Executive Officer, (b) Sunit S. Patel, Executive Vice President and Chief Financial Officer, (c) John M. Ryan, Executive Vice President, Chief Legal Officer and Secretary, (d) Eric J. Mortensen, Senior Vice President and Controller, (e) Hector R. Alonso, Regional President Latin America, (f) Andrew E. Crouch, Regional President EMEA and GAM Division, and (g) Laurinda Y. Pang, Regional President North America and Asia Pacific. In addition, certain compensation arrangements with John Blount, Level 3's former Regional President North America and Asia, are described below.

Treatment of Level 3 Equity-Based Awards

Upon the completion of the initial merger, each outstanding Level 3 RSU award granted prior to April 1, 2014 and each Level 3 RSU award granted to a non-employee member of the Level 3 Board will be cancelled in exchange for \$26.50 in cash and 1.4286 shares of CenturyLink common stock per share of Level 3 common stock covered by the award, less applicable withholding taxes.

Upon the completion of the initial merger, each outstanding Level 3 RSU award granted on or after April 1, 2014 (other than those granted to non-employee members of the Level 3 Board), will be converted into a restricted stock unit award relating to a number of shares of CenturyLink common stock equal to the product of (a) the equity award exchange ratio (described below) multiplied by (b) the number of shares of Level 3 common stock subject to the award immediately prior to the effective time of the initial merger. Following the effective time of the initial merger, the converted RSU awards will remain subject to the same terms and conditions (including vesting terms) applicable to such awards immediately prior to the effective time, except that any performance-based vesting conditions will be deemed satisfied based on the actual performance of Level 3 through the latest practicable date prior to the closing date of the combination (as determined by the compensation committee of the Level 3 Board) and the award will continue to vest based on continued service to CenturyLink. The equity award exchange ratio is equal to the sum of (1) 1.4286 plus (2) the quotient (rounded to four decimal places) of (a) \$26.50 divided by (b) the volume weighted average price of a share of CenturyLink common stock on the NYSE for the 30 trading days ending with the trading day immediately prior to the closing date of the combination.

Pursuant to the terms applicable to Level 3 RSU awards, upon a termination of a Level 3 RSU award holder's employment by Level 3 without cause or by the award holder for good reason (which we refer to as a qualifying termination) at any time following the effective time of the initial merger, all of the then unvested restricted unit awards held by such award holder will vest. Notwithstanding the foregoing, any Level 3 RSU awards granted to the chief executive officer of Level 3 or his direct reports on or following October 31, 2016 will vest as to 50% of the award upon a qualifying termination.

The treatment described above will apply to all holders of Level 3 RSU awards, including Level 3's executive officers and non-employee directors. Level 3 estimates that the aggregate amount that will be payable to its seven executive officers (including Level 3's named executive officers) in respect of their Level 3 RSU awards is approximately \$63.2 million, which assumes, for these purposes only, (a) that the consummation of the combination occurred on December 14, 2016 and the employment of each executive officer was terminated on such date, under circumstances that would entitle them to receive full accelerated vesting of their outstanding Level 3 RSU awards, (b) that achievement of any

performance criteria for performance-based vesting Level 3 RSU awards for which there has not yet been a determination as to whether such performance criteria has been met is achieved at target levels if the consummation of the combination occurred on December 14, 2016, (c) a

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price per share of CenturyLink common stock of \$23.68 (the average closing price of shares of CenturyLink common stock on the five days following the announcement of the combination), and (d) quantification of each executive officer's equity awards is calculated based on the number of outstanding, unvested equity awards held by each executive officer on December 14, 2016. For an estimate of the amounts that will become payable to each of Level 3's named executive officers on settlement of their unvested Level 3 RSU awards, see *Quantification of Potential Payments to Level 3's Named Executive Officers in Connection with the Combination* below. Level 3 estimates that the aggregate amount that would be payable to Level 3's 10 non-employee directors for their unvested equity-based awards if the consummation of the combination occurred on December 14, 2016, and assuming a price per share of CenturyLink common stock of \$23.68 (the average closing price of shares of CenturyLink common stock on the five days following the announcement of the combination), is approximately \$1.9 million. For purposes of these estimates, with respect to Level 3 RSU awards granted on or following April 1, 2014, the equity award exchange ratio was determined assuming that the volume weighted average price of a share of CenturyLink common stock on the NYSE for the 30 trading days ending with the trading day prior to the closing date of the combination was \$23.68. In addition, for purposes of these estimates, with respect to Level 3 RSU awards granted prior to April 1, 2014, the estimated value of the acceleration of equity awards assumes that the Level 3 RSU awards vest immediately prior to the initial merger and receive the merger consideration (\$26.50 in cash and 1.4826 shares of CenturyLink common stock) in respect of each share underlying the applicable Level 3 RSU award.

Severance Benefits

All of Level 3's executive officers (including its named executive officers, other than Mr. Blount, whose employment terminated on December 31, 2015), and Mr. Alonso, are at-will employees and as such do not have employment contracts. However, certain senior members of Level 3's management designated by the compensation committee of the Level 3 Board, including each of its executive officers (including its named executive officers, other than Mr. Blount, but excluding Mr. Alonso), participate in the Level 3 Key Executive Severance Plan, or KESP, which provides for the severance benefits described below upon a qualifying termination. In consideration for the severance benefits under the KESP, the executive officers are required to execute a release of claims and are subject to restrictive covenants concerning noncompetition and nonsolicitation of employees, customers and business partners, in each case, for 24 months following the applicable date of termination with respect to Messrs. Storey and Patel, 12 months following the applicable date of termination for Mr. Crouch, Ms. Pang and Mr. Ryan and nine months following the applicable date of termination for Mr. Mortensen.

If a qualifying termination occurs following the combination, the KESP provides that the Level 3 executive officers severance benefits would be comprised of the following:

Short-Term Incentive Payment. A prorated bonus for the year of termination based on his or her most recent target annual bonus;

Severance Payment. A lump sum cash payment equal to two times the sum of his base salary and most recent target annual bonus for Messrs. Storey and Patel, one times the sum of his or her base salary and most recent target annual bonus for each of Mr. Crouch, Ms. Pang and Mr. Ryan, and three-fourths times the sum of his base salary and most recent target annual bonus for Mr. Mortensen;

Insurance Continuation Payment. A lump sum cash payment equal to Level 3's paid portion of continued medical and dental insurance coverage to cover 24 months for Messrs. Storey and Patel, twelve months for Mr. Crouch, Ms. Pang and Mr. Ryan, and nine months for Mr. Mortensen;

Outplacement Benefits. Reimbursement of up to \$10,000 for the cost of outplacement services; and

Accelerated Vesting of Level 3 RSU Awards. As noted above, each Level 3 RSU award agreement provides that, upon a qualifying termination following the effective time of the initial merger, all of the then unvested Level 3 RSU awards will immediately become vested. As further described above under

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Treatment of Level 3 Equity Awards, this treatment will not apply to awards granted to the chief executive officer of Level 3 and his direct reports on or following October 31, 2016.

Each of the cash payments described above is payable on the 60th day following the participant's qualifying termination of employment.

In addition, if Mr. Alonso experiences a qualifying termination, local law in Argentina provides that he would be entitled to severance benefits equal to a lump sum cash payment equal to (i) the product of (x) one-twelfth times (y) the sum of his (a) base salary plus (b) target annual bonus times (z) the number of years of service he has completed with Level 3 plus two; (ii) the product of the number of any accrued but unused vacation days as of such termination date times the quotient of (x) his monthly base salary divided by (y) twenty and (iii) a pro-rated bonus for the year of termination. In addition, Mr. Alonso would be entitled to outplacement assistance with a value equal to one month of base salary. As of December 14, 2016, Mr. Alonso will have completed 23 years of service with Level 3 and will have accrued 35 unused vacation days.

We estimate that the aggregate amount of severance that will become payable to Level 3's seven executive officers (including the named executive officers) is approximately \$22.1 million, which assumes that (a) each executive officer experienced a qualifying termination of employment on December 14, 2016 and (b) the value of accelerated equity awards is excluded, as such amount is described above under *Treatment of Level 3 Equity Awards*. For an estimate of the amounts that would become payable to each of Level 3 named executive officers under KESP upon a qualifying termination, see *Quantification of Potential Payments to Level 3's Named Executive Officers in Connection with the Combination* below.

Retention Program

In order to promote retention and incentivize employees to consummate the combination, Level 3 retained the right to establish two retention programs under which Level 3's chief executive officer or the compensation committee of the Level 3 Board may make cash awards to employees, including Level 3's executive officers. Pursuant to the first program, Level 3 has the right to grant retention awards equal to up to \$10 million in the aggregate that will generally vest and settle as to 50% as of the earlier to occur of (x) the closing date of the combination and (y) the merger agreement termination date, and will vest and settle as to the remaining 50% on the 90th day following the first payment date. In addition, Level 3 has retained the right to establish a second retention program to promote retention through and following the closing date of the combination, pursuant to which awards will be subject to an individual cap of one times the participant's base salary. Awards granted pursuant to the second retention program will generally vest and settle as follows: (a) 34% as of the earlier to occur of (x) the closing date of the combination and (y) the merger agreement termination date, (b) 33% on the 180th day following the first payment date, and (c) 33% on the first anniversary of the first payment date. Notwithstanding the foregoing, all amounts payable pursuant to each of the retention programs will accelerate and be settled in the event that a participant in either retention program experiences (a) a termination by Level 3 or CenturyLink, as applicable, without cause, (b) solely for participants in the KESP, a resignation for good reason or (c) solely with respect to continuing employees with a title of Vice President and above (who do not participate in the KESP), a resignation due to a forced relocation of more than 50 miles. As of the date of this filing, no transaction bonuses had been allocated to Level 3's executive officers.

Annual Restricted Stock Unit Awards

In recent years, Level 3 has typically granted equity awards to executive officers and certain other employees on an annual basis in April and July of each year, in the form of performance-based and time-based vesting Level 3 RSU awards. With respect to the annual equity awards that would have been granted in the ordinary course consistent with past practice in April and July of 2017, Level 3 expects to grant these awards during the first calendar quarter of

2017. The equity awards that will be granted to each executive officer in 2017 will be solely in the form of time-based vesting Level 3 RSU awards and will be subject to a three year vesting

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schedule, provided, that, if a recipient experiences a qualifying termination following the consummation of the combination, all of the then unvested Level 3 RSU awards held by such recipient will vest, except that upon a qualifying termination of the Level 3 chief executive officer or his direct reports, only 50% of the recipient's then unvested Level 3 RSU award will vest. In addition, in recent years, Level 3 has typically granted equity awards to non-employee directors of the Level 3 Board on an annual basis in July of each year in the form of time-based vesting Level 3 RSU awards. Equity awards of the Level 3 Board will be granted to each non-employee director in 2017 in the ordinary course of business consistent with past practice and will be solely in the form of time-based vesting Level 3 RSU awards that will be subject to a one-year vesting schedule, provided that the Level 3 RSU awards granted to non-employee directors will immediately vest upon the consummation of the combination.

Annual Incentive Plan Payments

Level 3 maintains the Corporate Discretionary Bonus Program, pursuant to which executive officers and other employees are entitled to annual cash bonuses based on corporate and individual performance. Level 3 will continue to maintain this plan until the completion of the combination. Target bonus amounts for the 2017 calendar year will be established consistent with past practice and executive officers and other employees who participate in the 2017 Corporate Discretionary Bonus Program will be entitled to receive pro-rated bonuses for the portion of 2017 prior to the consummation of the combination. For participants in the KESP, the pro-rated bonus that participants are eligible to receive under the KESP upon a qualifying termination will be reduced by any pro-rated bonus paid in respect of the fiscal year 2017 prior to the consummation of the combination.

Golden Parachute Excise Taxes

No individual agreements with an executive officer, nor the Key Executive Severance Plan, provide for any payment to any executive officer in connection with an executive's liability for excise taxes pursuant to Section 4999 of the Code. The Key Executive Severance Plan, however, provides that, if a payment to an executive thereunder constitutes a parachute payment within the meaning of Section 280G of the Code or is subject to the excise tax imposed by Section 4999 of the Code, such payment will be reduced to the greater of (a) the amount that would result in no payment to the executive being subject to the excise tax under Section 4999 of the Code and (b) the amount that would result in the executive's receipt, on an after-tax basis (including excise taxes imposed under Section 4999 of the Code), of the greatest amount of the payments.

Under the terms of the merger agreement, for tax planning purposes with respect to Sections 280G and 4999 of the Code, Level 3 has the right to pay executive officers full year annual bonus awards based on the actual performance of Level 3 or the executive officer in respect of the 2016 fiscal year in 2016 rather than at the time such annual bonuses would be ordinarily paid in 2017.

Indemnification and Insurance

Pursuant to the terms of the merger agreement, Level 3's directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors' and officers' liability insurance policies from the surviving corporation following the combination. Such indemnification and insurance coverage is further described in the section entitled *The Merger Agreement Indemnification and Insurance* beginning on page 132.

Quantification of Potential Payments to Level 3's Named Executive Officers in Connection with the Combination

The information set forth in the tables below is intended to comply with Item 402(t) of Regulation S-K, which requires disclosures of information about certain compensation for each of Level 3's named executive officers that is

based on or otherwise relates to the combination and assumes, among other things, that the named executive officers will experience a qualifying termination of employment immediately following the consummation of the combination.

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Please note that the amounts described below are estimates based on multiple assumptions that may or may not actually occur or be accurate on the relevant date and do not reflect certain compensation actions that may occur before the completion of the combination. For purposes of calculating such amounts, we have assumed:

December 14, 2016 as the closing date of the combination,

a termination of each named executive officer's employment on December 14, 2016 by the combined company that constitutes a qualifying termination, and

quantification of outstanding Level 3 RSU awards is calculated based on the outstanding equity awards held by each named executive officer on December 14, 2016.

Golden Parachute Compensation

Name	Cash (\$)(1)	Equity (\$)(2)(3)	Pension/ NQDC (\$)	Perquisites/ Benefit (\$)(4)	Tax Reimbursement (\$)	Other (\$)	Total (\$)
Named Executive Officers(5)							
Jeff K. Storey	8,634,640	24,441,601		10,000			33,086,241
Sunit S. Patel	3,716,393	14,193,488		10,000			17,919,881
Andrew E. Crouch	3,712,829	6,749,378		10,000			10,472,207
Laurinda Y. Pang	2,032,667	6,719,464		10,000			8,762,131

- (1) The cash amount payable to each of the named executive officers is a lump sum cash payment consisting of the following components:
- A severance payment equal to the product of (i) 2 for Messrs. Storey and Patel and 1 for the other named executive officers, multiplied by (ii) the sum of the named executive officer's annual base salary as in effect on the date hereof and target bonus for fiscal year 2016;
 - An amount equal to the named executive officer's pro-rated bonus for the year of termination based on his or her target annual bonus for fiscal year 2016; and
 - An amount equal to Level 3's paid portion of continued medical and dental insurance coverage to cover twenty-four months for Messrs. Storey and Patel and twelve months for Mr. Crouch and Ms. Pang.

The estimated amount of each component of the cash payment is set forth in the table below.

Name (A)(B)	Severance Payment (\$)	Pro-Rated Annual Bonus (\$)(C)	COBRA Payment (\$)	Total (\$)
Named Executive Officers				
Jeff K. Storey	6,600,000	2,003,448	31,192	8,634,640
Sunit S. Patel	2,600,000	1,085,201	31,192	3,716,393

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Andrew E. Crouch	2,176,000	1,514,989	21,840	3,712,829
Laurinda Y. Pang	1,100,000	918,247	14,420	2,032,667

- (A) In consideration for the severance benefits under the KESP, the executive officers are required to execute a release of claims and are subject to restrictive covenants concerning noncompetition and nonsolicitation of employees, customers and business partners, in each case, for twenty-four months following the applicable date of termination with respect to Messrs. Storey and Patel and twelve months following the applicable date of termination for each of the other participants. All of the cash payments are double-trigger benefits (meaning that they are contingent upon a qualifying termination following the consummation of the combination).
- (B) As of December 14, 2016, no retention bonuses have been allocated to Level 3 s named executive officers.
- (C) With respect to Mr. Patel and Ms. Pang, amounts include a pro-rated payment of a special one-time cash bonus which each of Mr. Patel and Ms. Pang are eligible to earn for the 2016 fiscal year, equal to \$487,500 and \$412,500, respectively.

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(2) As described in more detail above in *Treatment of Level 3 s Equity Awards*, upon the consummation of the combination, Level 3 RSUs granted prior to April 1, 2014 held by the named executive officers would vest (to the extent unvested) and be converted into the right to receive the merger consideration in respect of each net shares subject to the Level 3 RSU, after taking into account the applicable required withholding taxes. The vesting of the Level 3 RSU awards granted prior to April 1, 2014 is single-trigger (meaning that they are payable automatically as a result of the consummation of the combination).

In addition, as described in more detail above in *Treatment of Level 3 s Equity Awards*, upon a qualifying termination following the consummation of the combination, all Level 3 RSU awards granted on or following April 1, 2014 and prior to October 31, 2016 held by the named executive officers will vest (to the extent unvested). The vesting of the Level 3 RSU awards granted on or following April 1, 2014 is double-trigger (meaning that they are contingent upon a qualifying termination following the consummation of the combination).

The amounts above and in the table below assume a price per share of CenturyLink common stock of \$23.68 (the average closing price of shares of CenturyLink common stock on the five days following the announcement of the combination) and achievement of any performance criteria for performance-based vesting Level 3 RSU awards at target levels. For purposes of these estimates, with respect to Level 3 RSU awards granted on or following April 1, 2014, the equity award exchange ratio was determined assuming that the volume weighted average price of a share of CenturyLink common stock on the NYSE for the 30 trading days ending with the trading day prior to the closing date of the merger was \$23.68. In addition, for purposes of these estimates, with respect to Level 3 RSU awards granted prior to April 1, 2014, the estimated value of the acceleration of equity awards assumes that the Level 3 RSU awards vest immediately prior to the merger and receive the merger consideration (\$26.50 in cash and 1.4826 shares of CenturyLink common stock) in respect of each share underlying the applicable Level 3 RSU award.

(3) As described in more detail above in *Annual Restricted Stock Unit Awards*, with respect to any Level 3 RSU award granted to a named executive officer on or following October 31, 2016, upon a qualifying termination following the consummation of the combination, one-half of the then unvested Level 3 RSU awards granted in 2017 will vest.

Name	Value of Unvested Units Granted prior to April 1, 2014 (\$)	Value of] Unvested Stock Units Granted on or Following April 1, 2014 (\$)
<i>Named Executive Officers</i>		
Jeff K. Storey	1,508,231	22,933,370
Sunit S. Patel	754,117	13,439,371
Andrew E. Crouch	414,765	6,334,613
Laurinda Y. Pang	263,941	6,455,523

(4) Each named executive officer will be entitled to reimbursement of up to \$10,000 for the cost of outplacement services in connection with a qualifying termination following the consummation of the combination (i.e., a double trigger payment).

(5) John T. Blount, Level 3 s former Regional President, North America and Asia Pacific, is a named executive officer for purposes of item 402 of Regulation S-K; however, he is not entitled to any compensation or benefits in connection with the consummation of the merger, other than any benefits he might be entitled to as a stockholder

of Level 3 generally. Mr. Blount retired from Level 3 on December 31, 2015.

Certain Forecasts Prepared by CenturyLink

CenturyLink does not as a matter of course make public forecasts as to future performance, earnings or other results beyond the current fiscal year, and CenturyLink is especially reluctant to disclose forecasts for extended periods due to the unpredictability of the underlying assumptions and estimates. However, in connection with its evaluation of the combination, CenturyLink provided to its board of directors and financial

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advisors non-public, internal financial forecasts regarding CenturyLink's anticipated future operations for fiscal years 2017 to 2021, which we refer to as the CenturyLink forecasts. The CenturyLink forecasts reflect the anticipated impact of CenturyLink's previously announced plan to divest of its data centers and colocation business, based on the assumption that this divestiture would have been completed as of January 1, 2017. CenturyLink has included below a summary of these forecasts to give its shareholders access to certain non-public information that was considered by the CenturyLink Board for purposes of evaluating the combination and was also provided to CenturyLink's financial advisors.

A summary of the CenturyLink forecasts, which were prepared in August 2016 based upon the assumptions and considerations described below, is set forth below.