

Exhibit No. ____ (RTA-2)
Docket UT-100820
Witness: Rick T. Applegate

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Joint Application of

**QWEST COMMUNICATIONS
INTERNATIONAL INC. AND
CENTURYTEL, INC.**

**For Approval of Indirect Transfer of
Control of Qwest Corporation, Qwest
Communications Company LLC, and
Qwest LD Corp.**

DOCKET UT-100820

EXHIBIT TO TESTIMONY OF
RICK T. APPLGATE
STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

S-4 Pro Forma Combined Condensed Financials

September 27, 2010

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CENTURYLINK, INC.
PRO FORMA COMBINED CONDENSED BALANCE SHEET
MARCH 31, 2010

	<u>CenturyLink</u>	<u>Qwest</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Combined</u>
	In millions (Unaudited)			
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 206	1,196		1,402
Accounts receivable	671	1,245		1,916
Other current assets	164	1,564	(110)(A)	1,618
Total current assets	1,041	4,005	(110)	4,936
NET PROPERTY, PLANT AND EQUIPMENT	8,970	12,078		21,048
GOODWILL AND OTHER ASSETS				
Goodwill	10,252	—	10,429(B)	20,681
Other	2,058	3,279	421(C)	5,758
Total goodwill and other assets	12,310	3,279	10,850	26,439
TOTAL ASSETS	\$ 22,321	19,362	10,740	52,423
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Current maturities of long-term debt	\$ 500	2,046		2,546
Accounts payable	335	658		993
Accrued expenses and other liabilities	926	1,886	(148)(D)	2,664
Total current liabilities	1,761	4,590	(148)	6,203
LONG-TERM DEBT	7,221	11,500	819(E)	19,540
DEFERRED CREDITS AND OTHER LIABILITIES	3,838	4,392	(1,506)(F)	6,724
SHAREHOLDERS' EQUITY (DEFICIT)				
Common stock	300	17	272(G)	589
Paid-in capital	6,022	42,294	(32,128)(G)	16,188
Accumulated other comprehensive loss, net of tax	(94)	(487)	487(G)	(94)
Retained earnings (deficit)	3,267	(42,915)	42,915(G)	3,267
Noncontrolling interests	6	—		6
Treasury stock	—	(29)	29(G)	—
Total shareholders' equity (deficit)	9,501	(1,120)	11,575	19,956
TOTAL LIABILITIES AND EQUITY	\$ 22,321	19,362	10,740	52,423

See accompanying notes to unaudited pro forma combined condensed financial information.

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CENTURYLINK, INC.

PRO FORMA COMBINED CONDENSED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2009

	<u>CenturyLink</u>	<u>Embarq*</u>	<u>Qwest**</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Combined</u>
	In millions, except per share amounts (Unaudited)				
OPERATING REVENUES	\$ 4,974	2,671	12,311	(198)(H)	19,758
OPERATING EXPENSES					
Cost of services and products	1,752	721	4,088	(138)(H)	6,423
Selling, general and administrative	1,014	632	3,937		5,583
Depreciation and amortization	975	488	2,311	327(I)	4,101
	3,741	1,841	10,336	189	16,107
OPERATING INCOME	1,233	830	1,975	(387)	3,651
OTHER INCOME (EXPENSE)					
Interest expense	(370)	(186)	(1,089)	102(J)	(1,543)
Other income	(48)	—	17		(31)
Income tax expense	(302)	(240)	(241)	110(K)	(673)
Noncontrolling interests	(2)	—	—		(2)
NET INCOME BEFORE EXTRAORDINARY ITEM AND DISCONTINUED OPERATIONS	\$ 511	404	662	(175)	1,402
BASIC EARNINGS PER COMMON SHARE BEFORE EXTRAORDINARY ITEM AND DISCONTINUED OPERATIONS	\$ 2.55	2.81	0.38		2.40
DILUTED EARNINGS PER COMMON SHARE BEFORE EXTRAORDINARY ITEM AND DISCONTINUED OPERATIONS	\$ 2.55	2.81	0.38		2.39
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING					
Basic	198.8	143.6	1,709.3	(1,470.1)(L)	581.6
Diluted	199.1	143.9	1,713.5	(1,473.7)(L)	582.8

* Reflects Embarq's results of operations for the six months ended June 30, 2009. Embarq's results of operations subsequent to CenturyLink's July 1, 2009 acquisition of Embarq are included in the CenturyLink column.

** Cost of services and products and selling, general and administrative expenses for Qwest for 2009 have been reclassified to conform with Qwest's 2010 presentation.

See accompanying notes to unaudited pro forma combined condensed financial information.