



# MERGER UPDATE



## Progress toward a combined company

### *CenturyTel and EMBARQ planning successful merger for customers*

The proposed merger of CenturyTel and EMBARQ was announced in late October 2008. Integration planning is underway, focused on delivering benefits for customers, employees and the communities we serve. This update highlights progress to date on the approval process and recent company announcements.

## KEY APPROVALS GRANTED

### State

- ◆ Approvals received in ten states as of April 24, 2009: Florida, Georgia, Illinois, Louisiana, Minnesota, Mississippi, Nebraska, Nevada, Ohio and Tennessee.
- ◆ Only five of the 33 states in which the two companies operate are still in the process of approving the merger.

### Federal

- ◆ The DoJ/ FTC determined that the merger poses no competitive concerns and granted early termination of the Hart Scott Rodino waiting period in November 2008.
- ◆ The companies are working toward final approval of the merger with the FCC. Company executives have held briefings with key members of the FCC and Congress.

### Shareholders

- ◆ Both companies' shareholders overwhelmingly voted to approve the merger on January 27, 2009.

## MERGER BENEFITS

The merger is expected to serve the public interest, including benefits for shareholders, customers and employees:

- ◆ Creates a stronger service provider for consumers, communities and employees
- ◆ Increases financial strength
- ◆ Employs Americans in more than 30 states
- ◆ Enables enhanced, diverse service offerings for consumers
- ◆ Increases opportunities for new services, including IPTV and 700 MHz wireless
- ◆ Improves back office systems and overall experience for customers
- ◆ Generates efficiencies in a challenging economy and highly competitive environment
- ◆ Poses no competitive concerns

### QUICK FACTS \*

- Corporate headquarters in Monroe, Louisiana
- Operating presence in 33 states
- Nearly 7.7 million access lines
- More than two million broadband customers
- More than 400,000 video subscribers
- Nearly 17,000-mile core fiber network

\* As of Dec. 31, 2008

## Key decisions made

Actions taking place during the integration process include decisions about leadership of the combined company and organizational structure.

### COMPANY LEADERS

**Glen Post**, Chief Executive Officer

**Tom Gerke**, Executive Vice Chairman

*Responsible for regulatory and governmental relations and human resources.*

**Karen Puckett**, Chief Operating Officer

*Responsible for customer service, sales and marketing, regional and centralized operations.*

**Stewart Ewing**, Chief Financial Officer

*Responsible for finance, treasury, corporate development and investor relations.*

**Stacey Goff**, General Counsel

*Responsible for leading transition plans, legal and corporate administrative support.*

**Dennis Huber**, IT, Network Planning, Engineering and Product Development

*Responsible for information technology, network infrastructure and new products.*

**Bill Cheek**, Wholesale Operations

*Responsible for interexchange, CLEC and other wholesale customer products.*

**Chris Mangum**, Strategic Planning

*Responsible for strategy development and business planning.*

**Board comprised of 15 directors, including 8 designees from CenturyTel and 7 from EMBARQ.**

**William A. Owens**, Non-executive Chairman

**Harvey Perry**, Non-executive Vice Chairman

### REGIONAL LEADERS

The company will be organized into five operating regions reporting to Karen Puckett, Chief Operating Officer. Regional leaders will drive a local market, competitive focus and will have profit and loss (P&L) performance responsibility within their respective regions. The regions and their leaders are:

♦ **Western region**

Terry Beeler

*Includes California, Colorado, Idaho, Montana, Nebraska, Nevada, New Mexico, Oregon, Washington and Wyoming*

♦ **South-Central region**

Kenny Wyatt

*Includes Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas*

♦ **Mid-Atlantic region**

Todd Schafer

*Includes Georgia, North Carolina, South Carolina, Tennessee and Virginia*

♦ **North-East region**

Duane Ring

*Includes Illinois, Indiana, Iowa, Michigan, Minnesota, New Jersey, Ohio, Pennsylvania, and Wisconsin*

♦ **Southern region**

Dana Chase

*Includes Alabama and Florida*

*"The regional Operations structure has a proven track record of success. It is a model that keeps our organization in touch with our customers and focused on the varying needs of our communities," said Karen Puckett.*