



MERGER UPDATE



Progress continues

CenturyTel and EMBARQ planning successful merger for customers

The proposed merger of CenturyTel and EMBARQ was announced in late October 2008. Integration planning continues, 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

- ◆ Additional state approvals have been received in Florida, Illinois and Louisiana.
- ◆ Orders approving the merger were previously received in Georgia, Minnesota, Mississippi, Nebraska and Ohio.
- ◆ The remaining seven states requiring approval are in various stages of the approval process.

Federal

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

Shareholders

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

REGIONS

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.

QUICK FACTS as of December 31, 2008

- ◆ Corporate headquarters in Monroe, Louisiana, with an operating presence in 33 states
- ◆ Nearly 7.7 million access lines, including nearly 17,000 miles of fiber in the core network
- ◆ More than two million broadband and 400,000 video subscribers