



CenturyLink Cost Basis Information

Cost Basis Calculations for CenturyLink Shareholders

Since CenturyLink's historical stock transactions include numerous acquisitions and stock splits, calculating the cost basis of your CenturyLink shares can be challenging. This workbook provides information and worksheets to assist you in determining the cost basis of your CenturyLink shares. Anytime you sell shares of CenturyLink stock, you will need to determine your cost basis to compute the gain or loss on the shares for tax reporting purposes.

We suggest you keep this information with your tax records and share it with your tax advisor.

What is my cost basis?

Your cost basis generally is the original cost of the shares you purchased plus any brokerage commission. The difference between the amount you realize for the sale of your shares and your cost basis determines the amount of the gain or loss you must report on Schedule D of your income tax return.

How do I compute my cost basis?

The first step is to determine the date your shares were purchased. Next, you'll need to determine the cost of your shares from brokerage statements or receipts. Finally, complete the appropriate worksheet to determine your cost basis. If your shares were acquired by some means other than purchase, such as a gift or inheritance, please consult your tax advisor.

The taxation of corporate distributions can be complex, and stockholders are encouraged to consult their tax advisers to determine what impact the above information may have on their specific tax situation.

The information in this booklet is not intended as tax, legal or other advice. The information provided is for your convenience only. CenturyLink does not purport the information to be complete and undertakes no obligation to update any information contained herein after the date hereof. Please contact a tax advisor if you have any questions.

Qwest Historical Events Affecting Your Cost Basis

Qwest Stock Splits

1998 Two-for-One Stock Split

Record Date: February 2, 1998

Payable Date: February 24, 1998 (close price \$71.50)

1999 Two-for-One Stock Split

Record Date: May 3, 1999

Payable Date: May 24, 1999 (close price \$84.00)

Qwest Acquisitions

Following is information that pertains to Qwest's historical acquisitions is detailed below. It includes the date the acquisition became effective, the exchange rate per share and the cash-in-lieu rate for resulting fractional shares.

Target Company	Completion Date	Exchange Rate	Cash-in-lieu Rate
Phoenix Network, Inc.	March 30, 1998	0.0218	\$36.29
LCI International, Inc.	June 5, 1998	1.1661	\$31.25
Icon CMT Corp.	December 31, 1998	0.3200	\$50.00
U S West, Inc.	June 30, 2000	1.72932	\$54.25

Qwest Dividends

The 2008, 2010, 2011 "dividends" and a portion of the 2009 "dividends" to Qwest stockholders were classified as a return of capital, i.e. capital distribution, rather than a taxable dividend according to IRS calculations. Distributions from corporations that qualify as a return of capital, commonly referred to as capital distributions, are not considered dividends for federal income tax purposes.

A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock. The worksheets in this booklet include these calculations.

Qwest Historical Events Affecting Your Cost Basis (cont.)

U S West, Inc. Historical Events

U S West began trading as a separate company at the time of the AT&T divestiture.

▶ AT&T Divestiture

Effective January 1, 1984, as a result of the AT&T Divestiture, each AT&T shareholder received one share in each of the seven regional companies for every 10 shares of AT&T. The cost basis is allocated as follows:

AT&T	28.50%	NYNEX	9.84%
Ameritech.	10.33%	Pacific Telesis Group . . .	8.88%
Bell Atlantic	10.49%	Southwestern Bell	9.49%
BellSouth	13.53%	U S West.	8.94%

▶ U S West Stock Splits

1986 Two-for-One Stock Split

Record Date: May 9, 1986

Payable Date: May 28, 1986 (close price \$103.375)

1990 Two-for-One Stock Split

Record Date: April 19, 1990

Payable Date: May 2, 1990 (close price \$71.625)

▶ U S West Recapitalization

Effective November 1, 1995, as part of a plan to recapitalize the company, U S West, Inc., a Colorado corporation, reincorporated in the state of Delaware and created two classes of common stock, U S West Communications Group and U S West Media Group. Each share of U S West, Inc. was converted into one share of U S West Communications Group and one share of U S West Media Group.

- ▶ Allocation Ratio: U S West Communications Group - 59.82%;
U S West Media Group - 40.18%
- ▶ Record Date: October 31, 1995 (close price \$47.875)
- ▶ Effective Date: November 1, 1995 (close price for U S West Communications Group \$29.25; U S West Media Group \$19.75)

Qwest Historical Events Affecting Your Cost Basis (cont.)

▶ U S West Communications Group/Media Group Separation

- ▶ June 12, 1998, U S West, Inc. separated into two independent companies containing the businesses of U S West Communications Group and Media Group. As part of the separation, the Dex business was moved from U S West Media Group to U S West Communications Group. The movement of the Dex business resulted in a distribution of 0.02731 shares of new U S West, Inc. for every one share of Media Group owned. Fractional shares were sold.
- ▶ Effective Date: June 12, 1998 (close price for U S West, Inc. \$50.50; MediaOne Group, Inc. \$36.625)

▶ Qwest and U S West Merger

- ▶ June 30, 2000, Qwest and U S West merged and each outstanding share of U S West, Inc. common stock became exchangeable for 1.72932 shares of Qwest common stock and cash in lieu of fractional shares. Fractional shares sold at \$54.25.
- ▶ The closing stock price for U S West on June 30, 2000 was \$85.75 and the closing price for Qwest was \$50.00. On July 3, 2000, Qwest's opening stock price was \$49.8125.

Cost Basis Worksheets

U S West, Inc.

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition. The adjustments for dividends are only applicable if the stock was still held on the dividend record date and the dividend was paid out.

“Old AT&T” Shares acquired before 1/1/84:

Use this worksheet to calculate the new cost basis in each of your shares of Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock.

	\$/Share
Original cost per share of AT&T stock	\$ _____ (A)
Step 1: Adjustment to account for the 1-for-10 Distribution	Multiply (A) by 10 = _____ (B)
Step 2: Adjustment for 1/01/84 divestiture	Multiply (B) by .0894 = _____ (C)
Step 3: Adjustment for 1986 and 1990 stock Splits	Divide (C) by 4 = _____ (D)
Step 4: Adjustment for U S West Media Group allocation	Multiply (D) by .5982 = _____ (E)
Step 5: Adjustment for Qwest Merger	Divide (E) by 1.72932 = _____ (F)

The following dividend adjustments are to be performed if applicable.

Step 6: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (F) = _____ (G)
Step 7: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (G) = _____ (H)
Step 8: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (H) = _____ (I)
Step 9: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (I) = _____ (J)
Step 10: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (J) = _____ (K)
Step 11: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (K) = _____ (L)
Step 12: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (L) = _____ (M)
Step 13: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (M) = _____ (N)
Step 14: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (N) = _____ (O)
Step 15: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (O) = _____ (P)
Step 16: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (P) = _____ (Q)
Step 17: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (Q) = _____ (R)
Step 18: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (R) = _____ (S)
Step 19: Adjustment for CenturyLink Merger	Divide (S) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

** The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.*

U S West, Inc. (cont.)

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition. The adjustments for dividends are only applicable if the stock was still held on the dividend record date and the dividend was paid out.

“U S West” Shares acquired between 1/1/84 and 5/9/86:

Use this worksheet to calculate the new cost basis in each of your shares of Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock.

		\$/Share
Original cost per share of U S West stock		\$ _____ (A)
Step 1: Adjustment for 1986 and 1990 stock splits	Divide (A) by 4	= _____ (B)
Step 2: Adjustment for U S West Media Group allocation	Multiply (B) by .5982	= _____ (C)
Step 3: Adjustment for Qwest Merger	Divide (C) by 1.72932	= _____ (D)
<i>The following dividend adjustments are to be performed if applicable.</i>		
Step 4: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (D)	= _____ (E)
Step 5: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (E)	= _____ (F)
Step 6: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (F)	= _____ (G)
Step 7: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (G)	= _____ (H)
Step 8: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (H)	= _____ (I)
Step 9: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (I)	= _____ (J)
Step 10: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (J)	= _____ (K)
Step 11: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (K)	= _____ (L)
Step 12: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (L)	= _____ (M)
Step 13: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (M)	= _____ (N)
Step 14: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (N)	= _____ (O)
Step 15: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (O)	= _____ (P)
Step 16: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (P)	= _____ (Q)
Step 17: Adjustment for CenturyLink Merger	Divide (Q) by 0.1664	= _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

* The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.

U S West, Inc. (cont.)

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.

The adjustments for dividends are only applicable if the stock was held on the dividend record date and the dividend was paid out.

“U S West” Shares acquired between 5/10/86 and 4/19/90:

Use this worksheet to calculate the new cost basis in each of your shares of Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock.

		\$/Share
Original cost per share of U S West stock		\$ _____ (A)
Step 1: Adjustment for 1990 stock split	Divide (A) by 2	= _____ (B)
Step 2: Adjustment for U S West Media Group allocation	Multiply (B) by .5982	= _____ (C)
Step 3: Adjustment for Qwest Merger	Divide (C) by 1.72932	= _____ (D)

The following dividend adjustments are to be performed if applicable.

Step 4: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (D) = _____ (E)
Step 5: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (E) = _____ (F)
Step 6: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (F) = _____ (G)
Step 7: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (G) = _____ (H)
Step 8: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (H) = _____ (I)
Step 9: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (I) = _____ (J)
Step 10: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (J) = _____ (K)
Step 11: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (K) = _____ (L)
Step 12: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (L) = _____ (M)
Step 13: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (M) = _____ (N)
Step 14: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (N) = _____ (O)
Step 15: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (O) = _____ (P)
Step 16: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (P) = _____ (Q)
Step 17: Adjustment for CenturyLink Merger	Divide (Q) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

* The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.

U S West, Inc. (cont.)

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.

The adjustments for dividends are only applicable if the stock was held on the dividend record date and the dividend was paid out.

“U S West” Shares acquired between 4/20/90 and 10/31/95:

Use this worksheet to calculate the new cost basis in each of your shares of Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock.

	\$/Share
Original cost per share of U S West stock	\$ _____ (A)
Step 1: Adjustment for U S West Media Group allocation	Multiply (A) by .5982 = _____ (B)
Step 2: Adjustment for Qwest Merger	Divide (B) by 1.72932 = _____ (C)
<i>The following dividend adjustments are to be performed if applicable.</i>	
Step 3: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (C) = _____ (D)
Step 4: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (D) = _____ (E)
Step 5: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (E) = _____ (F)
Step 6: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (F) = _____ (G)
Step 7: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (G) = _____ (H)
Step 8: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (H) = _____ (I)
Step 9: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (I) = _____ (J)
Step 10: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (J) = _____ (K)
Step 11: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (K) = _____ (L)
Step 12: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (L) = _____ (M)
Step 13: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (M) = _____ (N)
Step 14: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (N) = _____ (O)
Step 15: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (O) = _____ (P)
Step 16: Adjustment for CenturyLink Merger	Divide (P) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

** The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.*

U S West, Inc. (cont.)

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.

The adjustments for dividends are only applicable if the stock was held on the dividend record date and the dividend was paid out.

“U S West” Shares acquired between 10/31/95 and 6/30/00:

Use this worksheet to calculate the new cost basis in each of your shares of Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock.

	\$/Share
Original cost per share of U S West stock.	\$ _____ (A)
Step 1: Adjustment for Qwest Merger	Divide (A) by 1.72932 = _____ (B)
<i>The following dividend adjustments are to be performed if applicable.</i>	
Step 2: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (B) = _____ (C)
Step 3: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (C) = _____ (D)
Step 4: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (D) = _____ (E)
Step 5: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (E) = _____ (F)
Step 6: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (F) = _____ (G)
Step 7: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (G) = _____ (H)
Step 8: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (H) = _____ (I)
Step 9: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (I) = _____ (J)
Step 10: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (J) = _____ (K)
Step 11: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (K) = _____ (L)
Step 12: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (L) = _____ (M)
Step 13: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (M) = _____ (N)
Step 14: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (N) = _____ (O)
Step 15: Adjustment for CenturyLink Merger	Divide (O) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

* The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.

U S West, Inc. (cont.)

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition.

The adjustments for dividends are only applicable if the stock was held on the dividend record date and the dividend was paid out.

“U S West” Shares acquired due to Dex distribution to MediaOne Group shareowners 6/12/98:

Use this worksheet to calculate your new cost basis in each of your shares of new Qwest Communications International Inc. common stock received in exchange for U S West, Inc. common stock that was acquired from the Dex distribution. **(Do not use this worksheet to calculate MediaOne Group cost basis.)**

	\$/Share
Original cost per share of U S West received as a result of the Dex distribution (on June 12, 1998)	\$ _____ (A)
Step 1: Adjustment for Qwest Merger	Divide (A) by 1.72932 = _____ (B)

The following dividend adjustments are to be performed if applicable.

Step 2: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (B) = _____ (C)
Step 3: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (C) = _____ (D)
Step 4: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (D) = _____ (E)
Step 5: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (E) = _____ (F)
Step 6: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (F) = _____ (G)
Step 7: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (G) = _____ (H)
Step 8: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (H) = _____ (I)
Step 9: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (I) = _____ (J)
Step 10: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (J) = _____ (K)
Step 11: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (K) = _____ (L)
Step 12: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (L) = _____ (M)
Step 13: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (M) = _____ (N)
Step 14: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (N) = _____ (O)
Step 15: Adjustment for CenturyLink Merger	Divide (O) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

* The 2008, 2010, 2011 “dividends” and a portion of the 2009 “dividends” to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.

Contact Comcast for MediaOne and US West Media Group cost basis.

Qwest Communications

If you acquired your common stock on more than one occasion, you will need to fill out this worksheet separately for each such acquisition. **(Do not use this worksheet if your Qwest shares came from the exchange of US West stock.)**

The adjustments for dividends are only applicable if the stock was held on the dividend record date and the dividend was paid out.

Qwest Communications International Inc. shares acquired outright

Use this worksheet to calculate new cost basis in each of your shares of new Qwest Communications International Inc. common stock acquired outright, but **not** acquired through the exchange of US West stock.

	\$/Share
Original cost per share of Qwest Communication + any brokerage commissions	\$ _____ (A)
<i>The following dividend adjustments are to be performed if applicable.</i>	
Step 1: Adjustment for 2/21/2008 dividend*	Subtract \$0.08 from (A) = _____ (B)
Step 2: Adjustment for 5/30/2008 dividend*	Subtract \$0.08 from (B) = _____ (C)
Step 3: Adjustment for 8/29/2008 dividend*	Subtract \$0.08 from (C) = _____ (D)
Step 4: Adjustment for 12/5/2008 dividend*	Subtract \$0.08 from (D) = _____ (E)
Step 5: Adjustment for 3/6/2009 dividend*	Subtract \$0.04 from (E) = _____ (F)
Step 6: Adjustment for 6/12/2009 dividend*	Subtract \$0.04 from (F) = _____ (G)
Step 7: Adjustment for 9/11/2009 dividend*	Subtract \$0.04 from (G) = _____ (H)
Step 8: Adjustment for 12/11/2009 dividend*	Subtract \$0.04 from (H) = _____ (I)
Step 9: Adjustment for 3/12/2010 dividend*	Subtract \$0.08 from (I) = _____ (J)
Step 10: Adjustment for 6/11/2010 dividend*	Subtract \$0.08 from (J) = _____ (K)
Step 11: Adjustment for 9/24/2010 dividend*	Subtract \$0.08 from (K) = _____ (L)
Step 12: Adjustment for 12/17/2010 dividend*	Subtract \$0.08 from (L) = _____ (M)
Step 13: Adjustment for 2/25/2011 dividend*	Subtract \$0.08 from (M) = _____ (N)
Step 14: Adjustment for CenturyLink Merger	Divide (N) by 0.1664 = _____ ★

★ This represents your current cost basis for your CenturyLink common stock.

** The 2008, 2010, 2011 "dividends" and a portion of the 2009 "dividends" to Qwest stockholders were classified for tax purposes as return of capital, i.e. capital distributions, rather than a taxable dividend according to IRS calculations. A return of capital is a return of some or all of your investment in the stock of the company and reduces the tax basis of your stock.*

