

Embarq CORP  
Form 425  
October 27, 2008

Filed by EMBARQ CORP

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: EMBARQ CORP

Commission File No.: 001-32732

### **Important Information for Investors and Stockholders**

In connection with the proposed transaction, CenturyTel, Inc. (CenturyTel) will file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of CenturyTel and Embarq Corporation (Embarq) that also constitute a prospectus of CenturyTel, and will be sent to the shareholders of Embarq. Investors and security holders are urged to read the joint proxy statement/prospectus and any other relevant documents filed with the SEC when they become available, because they will contain important information about Embarq, CenturyTel and the proposed transaction. The joint proxy statement/prospectus and other documents relating to the proposed transaction (when they are available) can be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov). These documents (when they are available) can also be obtained free of charge from Embarq upon written request to Embarq Shareholder Relations, 5454 W. 110th Street Overland Park, Kansas 66211 or by calling (866) 591-1964, or from CenturyTel, upon written request to CenturyTel, 100 CenturyTel Drive, Monroe, Louisiana, 71203 Attention: Corporate Secretary.

Embarq, CenturyTel and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of Embarq may be found in its 2007 Annual Report on Form 10-K filed with the SEC on February 29, 2008 and in its definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on March 17, 2008. Information about the directors and executive officers of CenturyTel may be found in its 2007 Annual Report on Form 10-K filed with the SEC on February 29, 2008 and definitive proxy statement relating to its 2008 Annual Meeting of Shareholders filed with the SEC on March 27, 2008. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants will also be included in the joint proxy statement/prospectus regarding the proposed transaction when it becomes available.

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of 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. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

### **Cautionary Statement Regarding Forward-Looking Statements**

This document contains certain forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as anticipate, may, can, believe, expect, project, intend, likely, similar expressions and any other statements that predict or indicate future events or trends or that are statements of historical facts. These forward-looking statements are subject to numerous risks and uncertainties. There are various important factors that could cause actual outcomes and results to differ materially from those in any such forward-looking statements. These factors include, but are not limited to, the following: failure to obtain the approval of the Embarq or CenturyTel shareholders for the Merger; failure to obtain, delays in obtaining or adverse conditions contained in any required regulatory approvals; failure to consummate or delay in consummating the merger for other reasons; changes in laws or regulations; and changes in general economic conditions. Embarq and CenturyTel undertake no obligation (and expressly disclaim any such obligation) to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. For additional information concerning factors that could cause actual results to materially differ from those projected herein, please refer to Embarq's and CenturyTel's most recent Form 10-K, 10-Q and 8-K reports.

1  
Merger of  
CenturyTel and  
EMBARQ  
October 27, 2008

2  
Safe Harbor Language  
Included  
in  
our  
presentation  
are

certain estimates and other forward-looking statements. They are subject to uncertainties that could cause the actual results to differ materially. These and other important uncertainties related to our business are described in the Company's filings with the Securities and Exchange Commission. All information contained herein is current as of October

27,  
2008,  
and  
is  
to  
be  
considered  
valid  
only  
as  
of  
October  
27,  
2008,  
regardless  
of  
the  
date  
reviewed.  
CenturyTel  
and  
EMBARQ  
will  
file  
a  
joint  
proxy  
statement/prospectus  
with  
the  
Securities  
and  
Exchange  
Commission  
(SEC).  
INVESTORS  
ARE  
URGED  
TO  
READ  
THE  
JOINT  
PROXY  
STATEMENT/PROSPECTUS  
WHEN  
IT  
BECOMES  
AVAILABLE  
BECAUSE  
IT

WILL  
CONTAIN  
IMPORTANT  
INFORMATION.  
You  
will  
be  
able  
to  
obtain  
the  
joint  
proxy  
statement/prospectus,  
as  
well  
as  
other  
filings  
containing  
information  
about  
CenturyTel  
and  
EMBARQ,  
free  
of  
charge,  
at  
the  
website  
maintained  
by  
the  
SEC  
at  
[www.sec.gov](http://www.sec.gov).  
Copies  
of  
the  
joint  
proxy  
statement/prospectus  
and  
the  
filings  
with  
the  
SEC  
that

will  
be  
incorporated  
by  
reference  
in  
the  
joint  
proxy  
statement/prospectus  
can  
also  
be  
obtained,  
free  
of  
charge,  
by  
directing  
a  
request  
to  
CenturyTel,  
100  
CenturyTel  
Drive,  
Monroe,  
Louisiana,  
71203  
Attention:  
Corporate  
Secretary,  
or  
to  
EMBARQ,  
5454  
West  
110th  
Street,  
Overland  
Park,  
KS,  
66211,  
Attention:  
Corporate  
Secretary.  
The  
respective  
directors  
and

executive  
officers  
of  
CenturyTel  
and  
EMBARQ  
and  
other  
persons  
may  
be  
deemed  
to  
be  
participants  
in  
the  
solicitation  
of  
proxies  
in  
respect  
of  
the  
proposed  
transaction.  
Information  
regarding  
CenturyTel's  
directors  
and  
executive  
officers  
is  
available  
in  
its  
proxy  
statement  
filed  
with  
the  
SEC  
by  
CenturyTel  
on  
March  
27,  
2008,  
and



information  
regarding  
Embarq  
directors  
and  
executive  
officers  
is  
available  
in  
its  
proxy  
statement  
filed  
with  
the  
SEC  
by  
EMBARQ  
on  
March  
17,  
2008.  
Other  
information  
regarding  
the  
participants  
in  
the  
proxy  
solicitation  
and  
a  
description  
of  
their  
direct  
and  
indirect  
interests,  
by  
security  
holdings  
or  
otherwise,  
will  
be  
contained  
the

joint  
proxy  
statement/prospectus  
and  
other  
relevant  
materials  
to  
be  
filed  
with  
the  
SEC  
when  
they  
become  
available.

.  
This  
communication  
shall  
not  
constitute  
an  
offer  
to  
sell  
or  
the  
solicitation  
of  
an  
offer  
to  
sell  
or  
the  
solicitation  
of  
an  
offer  
to  
buy  
any  
securities,  
nor  
shall  
there  
be  
any

sale  
of  
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.  
No  
offer  
of  
securities  
shall  
be  
made  
except  
by  
means  
of  
a  
prospectus  
meeting  
the  
requirements  
of  
Section  
10  
of  
the

Securities  
Act  
of  
1933,  
as  
amended.  
Additional Information

3

Attendees

Glen F. Post, III

Chairman of the Board and Chief Executive Officer, CenturyTel

Tom Gerke

Chief Executive Officer, EMBARQ

Stewart Ewing

Chief Financial Officer, CenturyTel  
Gene M. Betts  
Chief Financial Officer, EMBARQ

4

Compelling for Shareholders of CenturyTel and EMBARQ

Combination of CenturyTel and EMBARQ creates a leading communications company

Operations in 33 states with approximately 8 million access lines and 2 million broadband customers

Pro forma revenue of \$8.8 billion and EBITDA of \$3.8 billion

(1)

Enhanced financial profile

Accretive to free cash flow on an as realized basis  
in first full year post-closing

Sound capital structure with pro forma leverage of 2.1x (incl. run rate synergies)

(2)

Dividend payout ratio of ~50% and expectation to return substantial capital to shareholders

Significant cost savings and operating efficiencies

Annual run rate synergies of approximately \$400 million

Ability to leverage best practices between the two companies

Highly experienced leadership team

Bill Owens, Non-executive Chairman

Glen Post, CEO

Tom Gerke, Executive Vice Chairman

Karen Puckett, COO

Stewart Ewing, CFO

1.

Data as of September 30, 2008 for CenturyTel and EMBARQ

2.

Includes ~\$400 million of anticipated run rate synergies



5

Transaction Summary

34% CenturyTel shareholders / 66% EMBARQ shareholders

Pro Forma Ownership:

\$11.6 billion, including net debt of \$5.8 billion as of 09/30/08

Transaction Value:

Approximately \$400 million of annual run rate synergies

Estimated Synergies:

4.5x / 3.9x LTM EBITDA (before / after run rate synergies)

6.0x / 4.7x LTM Free Cash Flow (before / after run rate synergies)

Estimated Transaction

Multiples:

\$800 million of committed financing to refinance EMBARQ bank debt facilities and for general corporate purposes

Financing:

2.1x (incl. run rate synergies) / 2.3x (excluding synergies)

Pro Forma Leverage:

Annual dividend of \$2.80 per share, approximately 50% pay-out ratio

Dividend Policy:

1.37 shares of CenturyTel stock per share of EMBARQ stock

Exchange Ratio:

HSR, FCC, Certain State Regulatory Approvals and CenturyTel and EMBARQ shareholder approvals and other customary conditions

Closing Conditions:

All stock combination

Transaction Structure:

6  
A Leading Communications Company  
LightCore  
Fiber Network  
EMBARQ  
CenturyTel  
Operations in 33 states

Approximately 8 million access lines, 2 million broadband customers and 97k fiber miles

7  
Premier Communications Company  
LTM Revenue (\$ billions)  
(1)  
LTM EBITDA (\$ billions)  
(1)  
Broadband Customers (millions)

(1)  
7.9  
3.1  
2.3  
1.5  
0.0  
2.0  
4.0  
6.0  
8.0  
10.0  
Newco  
WIN  
FTR  
FRP  
Access Lines (millions)

(1)  
2.0  
0.9  
0.6  
0.3  
0.0  
0.5  
1.0  
1.5  
2.0  
2.5  
Newco  
WIN  
FTR  
FRP  
8.8  
3.3  
2.3  
1.5  
0.0  
2.0  
4.0  
6.0  
8.0  
10.0  
Newco  
WIN  
FTR  
FRP  
3.8  
1.7  
1.2  
0.5  
0.0

1.0  
2.0  
3.0  
4.0  
5.0  
Newco  
WIN  
FTR  
FRP  
1.  
Data  
as  
of  
September  
30,  
2008  
for  
CenturyTel  
and  
EMBARQ  
and  
June  
30,  
2008  
for  
WIN,  
FTR  
and  
FRP  
2.  
FairPoint  
statistics  
pro  
forma  
for  
VZ  
Northern  
New  
England  
transaction  
(2)  
(2)

8

Key Pro Forma Metrics

(1)

Results pro forma for Madison River acquisition

2.22x

\$5,757

\$795



41.8%  
\$2,598  
\$6,222  
23.7%  
1,388  
5,853  
EMBARQ  
2.30x  
\$8,843  
\$1,122  
43.5%  
\$3,844  
\$8,835  
25.5%  
2,016  
7,894  
Pro Forma  
w/o Synergies  
2,041  
Access Lines (000s)  
628  
Broadband Customers (000s)  
30.8%  
Penetration  
\$327  
Capital Expenditures  
47.7%  
EBITDA Margin %  
\$2,613  
LTM Revenue  
\$1,246  
LTM EBITDA  
2.48x  
Net Leverage  
\$3,086  
Net Debt  
CenturyTel  
(1)  
(as of 09/30/08, \$ in millions)  
As of September 30, 2008

9  
Clear, Achievable Synergies  
Operating Cost  
Savings  
Capex  
Synergies  
Other

Synergies

Integration

Expenses

~ \$275 million

(one-time)

Realization of synergies

Network integration

~ \$75 million

annually

Increased broadband penetration

Introduction of new products

~ \$30 million

annually

Increased purchasing power

~ \$300 million

annually

Headquarters / Corporate

Network and Operational Efficiencies

IT Support

Increased Purchasing Power

Advertising

10

Governance

Glen Post

CEO; Tom Gerke

Executive Vice Chairman; Karen Puckett

COO;

and Stewart Ewing

CFO

Bill Owens

Non-executive Chairman and Harvey Perry

Non-executive Vice

Chairman

Headquarters in Monroe, Louisiana

Significant operating presence in Overland Park, Kansas

15 member board

8 current CenturyTel directors

7 current EMBARQ directors

Name and brand of combined company to be determined prior to close

11

Great Strategic Combination

Significantly enhances financial and operational scale

~ 8 million access lines and 2 million broadband customers

\$8.8 billion of revenue and \$3.8 billion of EBITDA

Enhances shareholder value and financial flexibility

Significant synergies

Accretive in the first full year post-closing

Expectation of returning substantial capital to shareholders

Sound capital structure

Combined company well positioned strategically and competitively

Diversification of markets and revenue

Leverage of core, high-quality network resources

Customer service and marketing efficiencies through integrated systems

Improved competitive positioning

