

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.

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Merger of  
CenturyTel and  
EMBARQ  
October 27, 2008

2  
Safe Harbor Language  
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Additional Information

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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

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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

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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  
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1.5  
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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

