

Embarq CORP
Form 424B3
July 21, 2006

Filed pursuant to Rule 424(b)(3)

File No. 333-131747

Prospectus Supplement No. 1

to Prospectus Dated May 12, 2006

\$4,485,000,000

Embarq Corporation

\$1,000,000,000 6.738% Notes due 2013

\$2,000,000,000 7.082% Notes due 2016

\$1,485,000,000 7.995% Notes due 2036

This prospectus supplement supplements information contained in the prospectus dated May 12, 2006 relating to our issuance of \$1,000,000,000 aggregate principal amount of 6.738% Notes due 2013, \$2,000,000,000 aggregate principal amount of 7.082% Notes due 2016, and \$1,485,000,000 aggregate principal amount of 7.995% Notes due 2036 to Sprint Nextel Corporation in connection with our spin-off from Sprint Nextel on May 17, 2006. Sprint Nextel transferred these notes to Sprint Capital Corporation, its wholly owned subsidiary, which then sold the notes in a registered public offering. In connection with the offering of the notes, each of Sprint Nextel and Sprint Capital was an underwriter within the meaning of the Securities Act of 1933. We did not receive any of the proceeds from the sale of the notes. The notes are our senior unsecured obligations and rank equally with all of our other existing and future senior unsecured indebtedness. The notes effectively rank junior to all indebtedness and other liabilities of our subsidiaries. The notes are not listed on any exchange or included in any automated quotation system.

This prospectus supplement should be read in conjunction with, and may not be delivered or utilized without, the prospectus and any prior prospectus supplements. This prospectus supplement is qualified by reference to the prospectus and any prior prospectus supplements, except to the extent that the information in this prospectus supplement supersedes the information contained in the prospectus and any prior prospectus supplements. This prospectus supplement includes our attached Current Report on Form 8-K dated July 21, 2006.

The securities offered hereby involve risks and uncertainties. These risks are described under the caption Risk Factors beginning on page 13 of the prospectus, as the same may be updated in prospectus supplements.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is July 21, 2006.

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 21, 2006**

Embarq Corporation

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

001-32732
(Commission File Number)

20-2923630
(I.R.S. Employer

Identification No.)

5454 W. 110th Street

Overland Park, Kansas
(Address of principal executive offices)

(913) 323-4637

66211
(Zip Code)

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 21, 2006, Embarq Corporation issued a press release announcing details for its investors call scheduled for July 27, 2006, to discuss the financial results for the Company's recently completed second fiscal quarter and containing certain as adjusted historical financial information. A copy of this press release is furnished as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this report shall be deemed to be furnished for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits.*

Exhibit No.	Description
99.1	Press Release issued July 21, 2006

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Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 21, 2006

Embarq Corporation

By: /s/ Claudia S. Toussaint

Name: Claudia S. Toussaint

Title: Vice President and Corporate Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued July 21, 2006

NEWS RELEASE

Investor Relations Contact:

Trevor Erxleben, 866-591-1964, #3

investorrelations@embarq.com

Media Contact:

Keith Mitchell, 913-345-6661

keith.j.mitchell@embarq.com

Embarq Corporation Provides Details for Second Quarter 2006 Earnings

Release and Conference Call

Overland Park, KS - July 21, 2006 - Embarq Corporation (NYSE: EQ) announced that it will report second quarter financial results before the markets open on Thursday, July 27, 2006. Following its pre-market earnings release, Embarq will hold an open-access conference call beginning at 8:00 a.m. EDT.

Embarq Conference Call Information

Date: July 27

Time: 8:00 a.m. EDT

Call-in Number: (866) 245-2310 (U.S. and Canada) or (706) 679-0843 (International)

Please plan to dial in five minutes before the scheduled start time.

The audio and accompanying presentation will be available via a simultaneous webcast at www.embarq.com/investors.

For those unable to participate live, a replay of the call will be available until August 27, 2006 by dialing (800) 642-1687 (toll free in the U.S.) or (706) 645-9291 (outside the U.S.) as well as at Embarq's Investor Relations website, www.embarq.com/investors. The accompanying presentation will also be archived at this website.

Historical Results

For periods prior to and including May 17, 2006, the date of Embarq's spin-off from Sprint Nextel, reported operating income reflects the combined performance of the specific legal entities that were spun off from Sprint Nextel in accordance with

generally accepted accounting principles (GAAP). The reported information for these entities prior to and including the date of separation does not include certain items that will be reflected in Embarq's reported operating income for periods subsequent to May 17, 2006. These items primarily consist of the following:

In-territory consumer and business long distance customers transferred to Embarq by Sprint Nextel, as well as certain in-territory equipment and professional service customers transferred to Sprint Nextel by Embarq; and

Other assets and liabilities related to the ongoing operations of our business transferred to Embarq by Sprint Nextel. In order to facilitate a comparison of Embarq's historical operating performance to performance subsequent to the spin-off, the attached tables provide an as adjusted view of Embarq's quarterly operating income for 2005 and the first quarter of 2006. Management uses this information and believes it is important to investors because it recasts historical information to reflect the current composition of our business and enables a more appropriate comparison with current information. The as adjusted financial information assumes the spin-off from Sprint Nextel had occurred on January 1, 2005 and includes the items described above. The as adjusted financial information is a non-GAAP measure and should be considered in addition to, but not as a substitute for, the information contained in our financial reporting.

About Embarq:

Embarq (NYSE: EQ) provides a complete suite of communications services to customers in its local service territories. Embarq, which is expected to rank among the Fortune 500, brings common-sense ideas, reliable service and a renewed commitment to the communities it serves. Embarq focuses on offering its customers practical, innovative products and competitive pricing. The company has approximately 20,000 employees and operates in 18 states offering local and long distance voice, data, high-speed Internet, wireless, and entertainment services. For more information, visit www.embarq.com.

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Embarq Corporation

As Adjusted Statements of Operating Income (unaudited)

(\$ in millions)

	GAAP	LD Customer Transfers	Pension	Shared Assets / Liabilities	Other	As Adjusted
<i>Quarter Ended March 31, 2005</i>						
Net Operating Revenues						
Voice	\$ 1,082	\$ 129	\$	\$	\$	\$ 1,211
Data	234	4			2	240
Other	83	(17)				66
Service revenues	\$ 1,399	\$ 116	\$	\$	\$ 2	\$ 1,517
Product revenues	128	(7)				121
Net Operating Revenues	1,527	109			2	1,638
Operating Expenses						
Cost of services	351	61			1	413
Cost of products	117	(6)				111
Selling, general and administrative	415	21	(4)	(36)		396
Depreciation and amortization	245			22		267
Total Operating Expenses	1,128	76	(4)	(14)	1	1,187
Operating Income	\$ 399	\$ 33	\$ 4	\$ 14	\$ 1	\$ 451
<i>Quarter Ended June 30, 2005</i>						
Net Operating Revenues						
Voice	\$ 1,062	\$ 128	\$	\$	\$ 1	\$ 1,191
Data	239	4			3	246
Other	83	(16)				67
Service revenues	\$ 1,384	\$ 116	\$	\$	\$ 4	\$ 1,504
Product revenues	137	(7)				130
Net Operating Revenues	1,521	109			4	1,634
Operating Expenses						
Cost of services	349	59			2	410
Cost of products	120	(6)				114
Selling, general and administrative	379	22	(4)	(37)	1	361
Depreciation and amortization	246			23		269
Total Operating Expenses	1,094	75	(4)	(14)	3	1,154
Operating Income	\$ 427	\$ 34	\$ 4	\$ 14	\$ 1	\$ 480

	GAAP	LD Customer Transfers	Pension	Shared Assets / Liabilities	Other	As Adjusted
<i>Quarter Ended September 30, 2005</i>						
Net Operating Revenues						
Voice	\$ 1,060	\$ 129	\$	\$	\$	\$ 1,189
Data	249	4			3	256
Other	85	(17)				68
Service revenues	\$ 1,394	\$ 116	\$	\$	\$ 3	\$ 1,513
Product revenues	209	(7)				202
Net Operating Revenues	1,603	109			3	1,715
Operating Expenses						
Cost of services	360	60			1	421
Cost of products	189	(6)				183
Selling, general and administrative	390	21	(4)	(37)	1	371
Depreciation and amortization	243			23		266
Total Operating Expenses	1,182	75	(4)	(14)	2	1,241
Operating Income	\$ 421	\$ 34	\$ 4	\$ 14	\$ 1	\$ 474
<i>Quarter Ended December 31, 2005</i>						
Net Operating Revenues						
Voice	\$ 1,045	\$ 126	\$	\$	\$ 1	\$ 1,172
Data	261	4			3	268
Other	83	(16)				67
Service revenues	\$ 1,389	\$ 114	\$	\$	\$ 4	\$ 1,507
Product revenues	214	(7)				207
Net Operating Revenues	1,603	107			4	1,714
Operating Expenses						
Cost of services	357	59			1	417
Cost of products	206	(6)				200
Selling, general and administrative	410	21	(3)	(37)	1	392
Depreciation and amortization	245			22	1	268
Asset impairments	80					80
Total Operating Expenses	1,298	74	(3)	(15)	3	1,357
Operating Income	\$ 305	\$ 33	\$ 3	\$ 15	\$ 1	\$ 357

<i>Year Ended December 31, 2005</i>	GAAP	LD Customer Transfers	Pension	Shared Assets / Liabilities	Other	As Adjusted
Net Operating Revenues						
Voice	\$ 4,249	\$ 512	\$	\$	\$ 2	\$ 4,763
Data	983	16			11	1,010
Other	334	(66)				268
Service revenues	\$ 5,566	\$ 462	\$	\$	\$ 13	\$ 6,041
Product revenues	688	(28)				660
Net Operating Revenues	6,254	434			13	6,701
Operating Expenses						
Cost of services	1,417	239			5	1,661
Cost of products	632	(24)				608
Selling, general and administrative	1,594	85	(15)	(147)	3	1,520
Depreciation and amortization	979			90	1	1,070
Asset impairments	80					80
Total Operating Expenses	4,702	300	(15)	(57)	9	4,939
Operating Income	\$ 1,552	\$ 134	\$ 15	\$ 57	\$ 4	\$ 1,762
<i>Quarter Ended March 31, 2006</i>	GAAP	LD Customer Transfers	Pension	Shared Assets / Liabilities	Other	As Adjusted
Net Operating Revenues						
Voice	\$ 1,038	\$ 116	\$	\$	\$ 1	\$ 1,155
Data	267	4			2	273
Other	81	(15)				66
Service revenues	\$ 1,386	\$ 105	\$	\$	\$ 3	\$ 1,494
Product revenues	175	(3)				172
Net Operating Revenues	1,561	102			3	1,666
Operating Expenses						
Cost of services	378	50			1	429
Cost of products	160	(3)				157
Selling, general and administrative	419	22		(34)	1	408
Depreciation and amortization	238			25		263
Total Operating Expenses	1,195	69		(9)	2	1,257
Operating Income	\$ 366	\$ 33	\$	\$ 9	\$ 1	\$ 409

Note: Certain prior year amounts have been reclassified to conform to the current period presentation. Historical and pro forma Embarq results as presented in Embarq's registration statements on Form 10 and Form S-1 filed with the SEC were presented consistent with the Sprint Nextel presentation of its local division results. In the 2006 first quarter, we modified the classifications of revenues and operating expenses consistent with Embarq management's view of these activities. These reclassifications had no effect on total net operating revenues, total operating expenses or net income as previously reported.