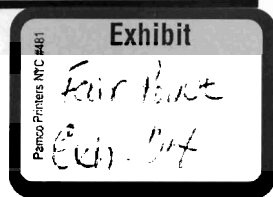


**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K



**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2006

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number 001-32732

Embarq Corporation

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

20-2923630
(IRS Employer
Identification No.)

5454 W. 110th Street
Overland Park, Kansas
(Address of principal executive offices)

66211
(Zip Code)

Registrant's telephone number, including area code (913) 323-4637
Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer

Large accelerated filer

Accelerated Filer

Non-accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Aggregate market value of voting and non-voting common stock equity held by non-affiliates at June 30, 2006, was \$6,110,117,538.

COMMON SHARES OUTSTANDING AT FEBRUARY 28, 2007: 150,533,640

EMBARQ CORPORATION
CONSOLIDATED BALANCE SHEETS
(millions, except per share data)

	As of December 31,	
	2006	2005
Assets		
Current assets		
Cash and equivalents	\$ 53	\$ 103
Accounts receivable, net of allowance for doubtful accounts of \$53 and \$57, respectively	660	660
Inventories, net	179	174
Deferred charges	48	55
Prepaid expenses and other current assets	83	80
Total current assets	1,023	1,072
Gross property, plant and equipment	20,805	19,784
Accumulated depreciation	(12,817)	(11,980)
Net property, plant and equipment	7,988	7,804
Goodwill	27	27
Prepaid pension asset	-	219
Other assets	53	99
Total	<u>\$ 9,091</u>	<u>\$ 9,221</u>
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt	\$ 37	\$ 2
Accounts payable	503	528
Accrued taxes	164	104
Payroll and employee benefits	198	118
Deferred revenue	211	215
Accrued interest	52	35
Other current liabilities	99	82
Total current liabilities	1,264	1,084
Noncurrent liabilities		
Long-term debt	6,421	1,123
Deferred income taxes	1,039	1,265
Benefit plan obligations	685	793
Other noncurrent liabilities	150	104
Total noncurrent liabilities	8,295	3,285
Stockholders' equity		
Preferred stock, \$.01 par value; 200 shares authorized; no shares issued and outstanding		
Common stock, \$.01 par value; 1,250 shares authorized; 149.7 shares issued and outstanding	1	-
Paid-in capital	(414)	-
Retained earnings	308	-
Accumulated other comprehensive income (loss)	(363)	(525)
Business equity	-	5,377
Total stockholders' equity	(468)	4,852
Total	<u>\$ 9,091</u>	<u>\$ 9,221</u>

See accompanying Notes to Consolidated Financial Statements.