

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2012 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2012 or fiscal plan year beginning <u>01/01/2012</u> and ending <u>03/31/2012</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☒ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>EMBARQ RETIREMENT SAVINGS PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>002</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>01/01/2006</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>002</u>	1c Effective date of plan <u>01/01/2006</u>	
1b Three-digit plan number (PN) ▶	<u>002</u>				
1c Effective date of plan <u>01/01/2006</u>					
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>EMBARQ CORPORATION</u> <u>100 CENTURYLINK DRIVE</u> <u>C/O CENTURYLINK-FINANCE DEPT</u> <u>MONROE, LA 71203</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>20-2923630</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>360-905-7972</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>517000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>20-2923630</u>	2c Sponsor's telephone number <u>360-905-7972</u>	2d Business code (see instructions) <u>517000</u>	
2b Employer Identification Number (EIN) <u>20-2923630</u>					
2c Sponsor's telephone number <u>360-905-7972</u>					
2d Business code (see instructions) <u>517000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature. Signature of plan administrator	01/14/2013 Date	MARINA PEARSON Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature. Signature of employer/plan sponsor	01/14/2013 Date	MARINA PEARSON Enter name of individual signing as employer or plan sponsor
SIGN HERE	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address ADMINISTRATIVE COMMITTEE 805 BROADWAY, 8TH FLOOR VANCOUVER, WA 98660		3b Administrator's EIN 20-2923630
		3c Administrator's telephone number 360-905-7345
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		4b EIN 4c PN
5 Total number of participants at the beginning of the plan year		5 10390
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....		6a 0
b Retired or separated participants receiving benefits.....		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 0
d Subtotal. Add lines 6a , 6b , and 6c		6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....		6e 0
f Total. Add lines 6d and 6e		6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2F 2H 2J 2K 2O 3H 3I		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2012
		This Form is Open to Public Inspection.

For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 03/31/2012

A Name of plan EMBARQ RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 EMBARQ CORPORATION	D Employer Identification Number (EIN) 20-2923630

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
NORTHERN TRUST GLOBAL INVESTMENTS

45-6138589

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
PIMCO

95-2632339

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
VANGUARD

23-1945930

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INVESTMENTS

06-1194217

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HARRIS ASSOCIATES

04-3276558

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HARTFORD MUTUAL FUNDS

13-3317783

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

HARBOR

04-2679462

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

PRUDENTIAL INVESTMENTS

22-3703799

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

DIMENSIONAL FUND ADVISORS

22-2370029

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

WALL STREET ASSOCIATES

37-1536872

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CAPITAL GUARDIAN TRUST COMPANY

95-6597294

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

GMO

04-2691242

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WELLS FARGO BANK, N.A

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 21 49 50 52 62 64	SERVICE PROVIDER	121902	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

TOWERS WATSON

53-0181291

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	SERVICE PROVIDER	9731	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

CENTURYLINK INVESTMENT MANAGEMENT

84-1339282

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
50 99	SERVICE PROVIDER	70377	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small>	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 03/31/2012

A Name of plan <u>EMBARQ RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN)	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>EMBARQ CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2923630</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NTGI-QM COL S&P 500 EQUITY INDEX FD</u>		
b Name of sponsor of entity listed in (a): <u>NORTHERN TRUST GLOBAL INVESTMENT</u>		
c EIN-PN <u>45-6138589-001</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NTGI-QM COLL EAFE INDEX FUND</u>		
b Name of sponsor of entity listed in (a): <u>NORTHERN TRUST GLOBAL INVESTMENT</u>		
c EIN-PN <u>45-6138589-017</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NTGI-QM COLL DAILY SM CAP EQ IDX</u>		
b Name of sponsor of entity listed in (a): <u>NORTHERN TRUST GLOBAL INVESTMENT</u>		
c EIN-PN <u>45-6138589-052</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>NTGI COLL SH TERM INVESTMENT FD</u>		
b Name of sponsor of entity listed in (a): <u>NORTHERN TRUST GLOBAL INVESTMENT</u>		
c EIN-PN <u>45-6138589-084</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE: <u>CAPITAL GUARDIAN WORLD EX US</u>		
b Name of sponsor of entity listed in (a): <u>CAPITAL GUARDIAN TRUST COMPANY</u>		
c EIN-PN <u>95-6597294-137</u>	d Entity code <u>C</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>0</u>
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2012 This Form is Open to Public Inspection
For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 03/31/2012		
A Name of plan EMBARQ RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ►	002
C Plan sponsor's name as shown on line 2a of Form 5500 EMBARQ CORPORATION	D Employer Identification Number (EIN) 20-2923630	

Part I Asset and Liability Statement			
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	20501033	0
(9) Value of interest in common/collective trusts.....	1c(9)	83373517	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	309683943	0
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)	157420606	0

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	43053450	
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	614032549	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k		

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	614032549	0
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	220621	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		220621
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	807878	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	93276	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		901154
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	45506897	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	43861311	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		1645586
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		5553899
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		45544134
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		53865394

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	25784119	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		25784119
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	205492	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		205492
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		25989611

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		27875783
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		641908332

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: POSTLETHWAITE & NETTERVILLE

(2) EIN: 72-1202445

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☒ Yes ☐ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

CENTURYLINK DOLLAR & SENSE 401(K) PLAN AND TRUST

5b(2) EIN(s)	5b(3) PN(s)
72-0651161	010

Part V Trust Information (optional)

6a Name of trust

6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2012 This Form is Open to Public Inspection.
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For calendar plan year 2012 or fiscal plan year beginning 01/01/2012 and ending 03/31/2012

A Name of plan <u>EMBARQ RETIREMENT SAVINGS PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>EMBARQ CORPORATION</u>	D Employer Identification Number (EIN) <u>20-2923630</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>56-1354495</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

EMBARQ RETIREMENT SAVINGS PLAN
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE
MARCH 31, 2012 AND DECEMBER 31, 2011
WITH INDEPENDENT AUDITORS' REPORT THEREON



A Professional Accounting Corporation

www.pncpa.com

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator
of The Embarq Retirement Savings Plan

We were engaged to audit the financial statements and supplemental schedule of the Embarq Retirement Savings Plan of March 31, 2012 and December 31, 2011, and for the period ended March 31, 2012, and the supplemental schedule as of and for the period ended March 31, 2012, as listed in the accompanying index. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 6, which was certified by Wells Fargo Bank, N.A., the trustee of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the period ended March 31, 2012 and December 31, 2011, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The supplemental schedule is presented for the purpose of additional analysis and is not a required part of the financial statements but is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As discussed in Note 1, effective April 1, 2012, the Plan merged into and became a part of the CenturyLink Dollars & Sense 401 (k) Plan and Trust.

Postlethwaite & Netterville

New Orleans, Louisiana
January 10, 2013

EMBARQ RETIREMENT SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of March 31, 2012 and December 31, 2011

	<u>March 31, 2012</u>	<u>December 31, 2011</u>
	(Dollars in thousands)	
ASSETS		
Investments at fair value:		
Mutual funds	\$ —	\$ 309,684
Pooled, common and collective funds	—	240,794
TRASOP stock fund	—	41,973
CESOP stock fund	—	1,081
	—	593,532
Receivables:		
Investment income receivable	—	97
Interest on notes receivable from participants	—	90
Notes receivable from participants	—	20,501
	—	20,688
LIABILITIES		
Administrative expenses payable	—	163
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ —</u>	<u>\$ 614,057</u>

See accompanying Notes to Financial Statements.

EMBARQ RETIREMENT SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the three month period ended March 31, 2012

ADDITIONS	(Dollars in thousands)
Net investment income:	
Interest income on notes receivable from participants	\$ 130
Dividends and investment interest	942
Net appreciation in the fair value of investments	52,744
Net investment income	<u>53,816</u>
Contributions:	
Employer	—
Participants	—
Total contributions	<u>—</u>
TOTAL ADDITIONS	<u>53,816</u>
DEDUCTIONS	
Benefits paid to participants	(25,784)
Administrative expenses	<u>(359)</u>
TOTAL DEDUCTIONS	<u>(26,143)</u>
NET INCREASE BEFORE PLAN TRANSFERS	27,673
PLAN MERGER INTO CENTURYLINK DOLLARS AND SENSE 401(k) PLAN, NET	<u>(641,730)</u>
NET DECREASE	(614,057)
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	614,057
End of period	<u><u>\$ —</u></u>

See accompanying Notes to Financial Statements.

**EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011**

1. DESCRIPTION OF THE PLAN

The following brief description of the Embarq Retirement Savings Plan (the "Plan") provides only general information. For more complete information participants should refer to the Summary Plan Description, which can be obtained by accessing the parent company's intranet site, the benefits internet site at www.CenturyLinkbenefits.com or by contacting Wells Fargo Retirement Services at 1-877-379-0118 or by accessing their internet site at www.retirement.wellsfargo.com

The Plan is a defined contribution plan established by Embarq Corporation ("Embarq") and adopted by substantially all of its subsidiaries. The Plan includes a qualified cash or deferred arrangement as defined in Section 401(k) of the Internal Revenue Code, as amended ("Code") and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

On May 17, 2006, Sprint Nextel Corporation ("Sprint Nextel") spun off its local communications and product distribution operations to create Embarq. In conjunction with this spin-off, sponsorship of the Plan changed from Sprint Nextel to Embarq. Sprint Nextel assumed the obligation under the Plan for a small number of employees who did not become employees of Embarq. Accordingly, all Plan assets and substantially all Plan obligations were retained by Embarq.

On July 1, 2009, Embarq and CenturyLink, Inc. ("CenturyLink"), a Louisiana corporation, completed a merger transaction whereby a wholly owned subsidiary of CenturyLink merged with and into Embarq. As a result of the merger, Embarq became a wholly-owned subsidiary of CenturyLink and remains the sponsor of the Plan until April 1, 2012 when the Plan merged with the CenturyLink Dollars & Sense 401(k) Plan which is sponsored by CenturyLink.

On January 1, 2011, all participants were automatically enrolled in the CenturyLink Dollars and Sense 401(k) Plan and Trust, and therefore, all contributions were made to the CenturyLink Dollars and Sense 401(k) Plan.

Plan Merger and Trustee Change

On April 1, 2012, the Plan merged with the CenturyLink Dollars & Sense 401(k) Plan and Trust. The Plan provisions regarding eligibility, participant and employer contributions, vesting, and benefit payments within the Plan document have not materially changed and protected provisions applicable to this Plan remain grandfathered as required by law. All Plan assets transferred to Northern Trust, the trustee for the CenturyLink Dollars & Sense 401(k) Plan on March 31, 2012. Therefore, the Plan's statement of changes in net assets available for benefits includes the three month period ended March 31, 2012.

Certain transfers between the Plan and related plans may occur based on employment status changes of participants.

The following information pertains only to participants' 401(k) accounts:

Eligibility

Participation in the Plan is voluntary. Individuals employed by Embarq or one of Embarq's subsidiaries on a regular, full-time basis and who are not represented by a collective bargaining agreement are eligible to participate immediately. If an individual is not a regular full-time employee, the employee is eligible to participate after completing one year of service in which the employee has worked at least 1,000 hours.

Contributions

Participants may contribute up to 50% of their eligible pay to a pre-tax account. Pre-tax participant contributions may not exceed the annual limitations of \$17,000 in 2012 and \$16,500 in 2011 as defined in the Code. The percentage that may be contributed by participants who meet the definition of a highly compensated employee as defined in the Code is periodically recalculated in order to maintain compliance with the nondiscrimination provisions of the Code.

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

Subject to certain limitations and restrictions, the Plan permits participants to make rollover contributions from other plans qualified under Section 401 of the Code.

A matching contribution in cash is made to the Plan by its sponsor totaling 25% of the first 6% of eligible pay contributed by a participant each payroll period. Contributions in excess of 6% of each participant's eligible pay are not matched.

Additional performance-based matching contributions may be made of up to 25% to the Plan. The amount of this additional contribution was based on an annual comparison of CenturyLink's common stock subsequent to the merger and Embarq common stock prior to the merger performance with the performance of members in a modified version of the S&P Integrated Telecom Index. The modified version of the S&P Integrated Telecom Index is based on a simple average of member company common stock performance without giving consideration to CenturyLink's common stock performance.

The total amount contributed under these performance-based contribution provisions is the sum of the basic and additional contribution percentage multiplied by the basic amount contributed by participants. Participant contributions in excess of 6% of eligible pay are not included in this calculation. Based on these provisions, there were no additional contributions during the three month period ended March 31, 2012.

The matching contribution is allocated to the same investment options as the participant directs for their own contributions.

Eligible participants are allowed to make pre-tax catch-up contributions. To be eligible to make a catch-up contribution, a participant must be age 50 by the end of the applicable plan year and must contribute the maximum elective contribution for that plan year. The catch-up contribution limit was \$5,500 in 2012.

Investment Funds

Participants can direct their contributions into any of 29 actively or passively managed investment funds, which include 11 passively-managed target-date funds, 1 money market fund, 2 fixed income funds, 3 small- capitalization stock funds, 2 mid-capitalization stock funds, 6 large capitalization stock funds, and 4 international and emerging market stock funds.

Participants may, at their discretion, alter the way in which their contributions are invested. Participants may also execute a transfer of funds between Plan investment options on any day the New York Stock Exchange is open. Limitations on transfers between funds apply in certain circumstances.

Concentration of Risk

The Plan's investment options included a variety of stock funds, bond funds, and other related investment funds. Investment securities subject participants to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is likely that changes in the values of investment securities will occur in the near term and that such changes could affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Vesting and Forfeitures

The vesting of matching contributions is based on a graded vesting schedule which is: 20% vested after two years of service, 40% vested after three years of service, 60% vested after four years of service and 100% vested after five years of continuous service. If a participant's employment terminated while the participant had unvested amounts in the Plan and the participant was rehired as an employee within five years from the termination date, that participant could have returned to the same point in the vesting schedule as at the time of employment termination and any matching contributions the participant forfeited would have been restored if the participant either:

- maintained his or her account balance in the Plan the entire time he or she was not employed by Embarq; or

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

- after termination the participant received a distribution of his or her vested amount which was less than the full amount, and after being rehired, the participant repays to their account in the Plan the full amount of the previous distribution no later than five years after the date the distribution was made.

Earlier vesting may occur if, while an employee, a participant (1) attains age 65, (2) incurs a permanent and total disability, or (3) dies.

Participants who terminated employment and did not meet these vesting guidelines forfeited the non-vested portion of the matching contribution. On March 30, 2012, Wells Fargo transferred the forfeiture account balance in the amount of \$455,866 to Northern Trust, the successor trustee for the CenturyLink Dollars & Sense 401(k) Plan. These forfeited accounts can be used to reinstate forfeited balances for rehired employees, to pay reasonable and approved Plan expenses, or to reduce future contribution requirements. During the three month period ended March 31, 2012 no forfeited non-vested amounts were used to reduce matching contributions. During the three month period ended March 31, 2012 \$83,507 was used to pay plan expenses.

Withdrawals

Participants may withdraw the vested value of their account when they retire, terminate employment, reach age 59 1/2, meet "hardship" requirements defined in the Code, or become permanently and totally disabled. In-service withdrawals may also be made from the after-tax portion of their account and the vested portion of matching contributions that has been held by the Plan for two full calendar years following the year of contribution. The minimum in-service withdrawal is the lesser of \$1,000 or 50% of the maximum amount that may be withdrawn.

Notes Receivable from Participants

Participants may borrow up to the lesser of (1) one-half of the total value of their vested account balance, (2) \$50,000 reduced by the highest outstanding balance of the participant's loan from the Plan during the one year period ending on the date the loan is made, or (3) the total value of their pre-tax account. The minimum loan is \$1,000.

Participants may have no more than two loans outstanding from the Plan at a time. Amounts borrowed by participants must be repaid within 5 years. In the event that the loan proceeds are used to acquire a participant's principal residence, the maximum repayment period may be as much as 25 years. Loans are secured by the participant's account balance. The rate of interest shall be a reasonable rate as determined by the CenturyLink Retirement Committee, which has deemed that the interest rate charged on loans is the Citibank Prime Interest Rate. The interest rate for new loans is updated quarterly. During the three month period ended March 31, 2012 and for all of Plan year 2011, outstanding loans were being charged interest rates between 3.25% and 17.08%.

Participant Accounts

A separate account is maintained for each participant in the Plan. Each participant's account is adjusted for (a) matching contributions on behalf of the participant, (b) the participant's contributions to the Plan, including rollover contributions, (c) the participant's share of any investment income or loss and charged with an allocation of administrative expenses, (d) withdrawals, (e) loans, and (f) forfeitures of non-vested matching contributions due to the participant's withdrawal.

The following information pertains to the TRASOP account:

During the period January 1, 1976 through December 31, 1986, employees were eligible to participate in the United Telecommunications, Inc. Employee Stock Ownership Plan ("TRASOP"). A former parent company to Embarq made all contributions to the TRASOP through December 31, 1986. TRASOP accounts were merged into the Plan effective October 10, 1989.

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

Eligibility

Individuals employed by a participating subsidiary during 1976 through 1986 were eligible to receive contributions from the Plan's sponsor for such years, provided they had completed one year of continuous employment on or before the end of a Plan year and they were still employed by the participating subsidiary at the end of such year.

Contributions

Effective January 1, 1987, concurrent with the effective date of the Tax Reform Act of 1986, contributions to the TRASOP account were discontinued. No additional contributions will be made unless favorable tax incentives supporting such contributions become incorporated into future law. For certain Plan years, the TRASOP allowed eligible participants to make after-tax contributions.

Investment Fund

By regulation, TRASOP balances must remain invested in CenturyLink's common stock while in the Plan.

Vesting

Participants are 100% vested in the value of their TRASOP account.

Withdrawals

Participants may withdraw their entire TRASOP account balance while an active employee, upon termination of employment, death, retirement, total and permanent disability, or termination of the Plan.

Participant Accounts

A TRASOP account is separately maintained in each participant's 401(k) account. Each participant's account is adjusted for (a) the participant's share of any investment income or loss, and (b) withdrawals.

Dividends

Dividends on common stock are reinvested in the TRASOP.

The following information pertains to the CESOP account:

During the period January 1, 1975, through December 31, 1986, employees of Centel Corporation ("Centel") and its subsidiaries were eligible to participate in the Centel Employees' Stock Ownership Plan ("CESOP"). Centel made all contributions to the CESOP through December 31, 1986. Effective November 1, 2000, that part of CESOP relating to non-bargaining employees was merged into the Plan and that part of CESOP relating to employees represented by a collective bargaining agreement was merged into the Centel Retirement Savings Plan for Bargaining Unit Employees. Centel is a wholly-owned subsidiary of Embarq. See footnote 4 for amounts transferred into the CenturyLink Dollars & Sense 401(k) Plan.

Eligibility

Individuals employed by Centel or a participating subsidiary during 1975 through 1986 were eligible to receive contributions from Centel for such years, provided they had completed one year of continuous employment on or before the end of a plan year and they were still employed by Centel or a participating subsidiary at the end of such year.

Investment Fund

By regulation, CESOP balances must remain invested in CenturyLink's common stock while in the Plan.

Vesting

Participants are 100% vested in the value of their CESOP account.

EMBARQ RETIREMENT SAVINGS PLAN
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Withdrawals

Participants may withdraw their entire CESOP account balance while an active employee, upon termination of employment, retirement, death, total and permanent disability, or upon termination of the Plan.

Participant Accounts

A CESOP account is separately maintained in each participant's 401(k) account. Each participant's account is adjusted for (a) the participant's share of any investment income or loss, and (b) withdrawals.

Dividends

Dividends on common stock are reinvested in the CESOP.

The following information pertains to 401(k), TRASOP and CESOP accounts:

Administration and Plan Expenses

Effective January 1, 2011, the CenturyLink Retirement Committee became the named fiduciary of the Plan and has responsibility for the administrative and financial activities of the Plan. Previously, the Embarq Employee Benefits Committee was the named fiduciary of the Plan. Subsequently on November 15, 2011, the Board of Directors established the CenturyLink Employee Benefits Committee as the Plan Administrator and CenturyLink Investment Management Company as the Investment Fiduciary. The responsibilities for corporate functions such as plan amendment and termination were delegated to the CenturyLink Plan Design Committee.

Administrative and investment expenses of the Plan are paid out of the trust. Certain administrative charges for review of domestic relations orders and loan withdrawals are borne by the participant.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

The preparation of financial statements in conformity with United States generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from these estimates.

Recently Adopted Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2010-06, "Improving Disclosures about Fair Value Measurements." The ASU amended Accounting Standards Codification ("ASC") 820 to add new requirements for disclosures about significant transfers into and out of Levels 1 and 2 of the fair value hierarchy and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. See Note 5 - Fair Value of Financial Instruments for more information on the three levels of the fair value hierarchy. This ASU also clarifies existing fair value disclosures about the level of disaggregation and requires disclosures about inputs and valuation techniques used to measure fair value. The guidance in the ASU is effective for the Plan beginning on January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances and settlements on a gross basis, which became effective for the Plan beginning on January 1, 2011. The effect of the adoption of the ASU had no impact on the statements of net assets available for benefits or the statement of changes in net assets available for benefits.

In September 2010, the FASB issued Accounting Standards Update 2010-25, "Reporting Loans to Participants by Defined Contribution Pension Plans," (ASU 2010-25). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and classified as notes receivable from participants. Previously, loans were measured at amortized cost. ASU 2010-25 is effective for fiscal years ending after December 15, 2010, and is required to be applied retrospectively. The effect of the adoption of the ASU had no

EMBARQ RETIREMENT SAVINGS PLAN
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material impact on the statements of net assets available for benefits or the statement of changes in net assets available for benefits.

Recently Issued Accounting Pronouncement

In May 2011, the FASB issued Accounting Standards Update 2011-04, "Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs," (ASU 2011-04). ASU 2011-04 amended ASC 820, Fair Value Measurements, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Valuation of Investments and Income Recognition

Investments of the Plan are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 5 for a discussion of fair value.

Purchases and sales of investments are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in the fair value of investments includes realized gains and losses on investments sold during the year, as well as, unrealized appreciation of investments held at year end.

Interest and Dividend Income

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

Income Tax Status

The Plan, as amended, is intended to satisfy the qualification requirements of Section 401(a) of the Code. The Plan's predecessor plan from which it was spun off, the Sprint Retirement Savings Plan, received a determination letter from the Internal Revenue Service ("IRS") dated June 12, 2003, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and operated, is qualified and the related trust is tax exempt. The Plan was submitted to the IRS for a favorable determination letter in January 2011 and is still being reviewed.

GAAP requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of March 31, 2012, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2009.

Withdrawals

Withdrawals are recorded at the fair value of the assets on the date of distribution.

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

3. INVESTMENTS (Unaudited)

The Plan's investments were held by the Wells Fargo through March 31, 2012 and all of 2011. Except for the investments held in the CenturyLink TRASOP Stock Fund and CenturyLink CESOP Stock Fund, all Plan investments during the three month period ended March 31, 2012 and the year ended December 31, 2011 were participant-directed.

The following table presents the Plan investments (at fair value) that represent 5% or more of the Plan's net assets available for benefits as of March 31, 2012 and December 31, 2011.

	March 31, 2012	December 31, 2011
	(Dollars in thousands)	
Fidelity Magellan Fund, Inc.	\$ —	\$ 61,761
Fidelity Equity Income Fund, Inc.	—	38,057
PIMCO Separately Managed I Account	—	69,675
PIMCO Separately Managed B Account	—	56,003
NTGI Short-term Fund	—	39,206
CenturyLink TRASOP Stock Fund	—	41,973
Vanguard Target Retirement 2020 Fund	—	31,601

For the three month period ended March 31, 2012, net realized and unrealized appreciation in the value of the Plan's investments (including investments purchased, sold and/or held during the year) was as follows:

	March 31, 2012
	(Dollars in thousands)
Mutual funds	\$ 38,028
Pooled, common and collective funds	13,071
TRASOP stock fund	1,604
CESOP stock fund	41
Total	\$ 52,744

4. NON-PARTICIPANT-DIRECTED INVESTMENTS

Information about the net assets at March 31, 2012 and December 31, 2011, and the significant components of the changes in net assets for the three month period ended March 31, 2012 and the year ended December 31, 2011, relating to the non-participant-directed investments (the CenturyLink TRASOP Stock Fund and CenturyLink CESOP Stock Fund) was as follows:

	March 31, 2012	December 31, 2011
	(Dollars in thousands)	
Beginning balance	\$ 43,054	\$ 58,946
Dividends and interest	808	3,472
Benefit payments and related distributions	(2,453)	(8,145)
Net realized and unrealized appreciation (depreciation)	1,645	(11,219)
Plan merger into CenturyLink Dollars & Sense 401(k) Plan	(43,054)	—
Ending balance	\$ —	\$ 43,054

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
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5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments are reported at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Plan management uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value and then Plan management ranks the values based on the reliability of the inputs used following the fair value hierarchy set forth by the FASB.

The three levels of the fair value hierarchy are as follows:

Input Level	Description of Input
Level 1.....	Observable inputs such as quoted market prices in active markets.
Level 2.....	Inputs other than quoted prices in active markets that are either directly or indirectly observable.
Level 3.....	Unobservable inputs in which little or no market data exists.

The table below presents the fair value of assets by category and the input levels used to determine these fair values as of December 31, 2011.

	Level 1	Level 2	Level 3	Total
	(Dollars in thousands)			
U.S. stock growth funds ^(a)	\$ 61,761	\$ 15,204	\$ —	\$ 76,965
Investment-grade bond funds ^(b)	—	125,678	—	125,678
Target-date retirement funds ^(c)	121,924	—	—	121,924
Large-cap U.S. stock value funds ^(d)	38,057	2,915	—	40,972
Short-term funds ^(e)	—	39,206	—	39,206
Small-cap U.S. stock funds ^(f)	20,386	12,012	—	32,398
Large-cap U.S. stock funds ^(g)	24,004	—	—	24,004
Mid-cap U.S. stock funds ^(h)	29,163	—	—	29,163
Global and international funds ⁽ⁱ⁾	14,389	29,579	—	43,968
TRASOP accounts ^(j)	1,081	—	—	1,081
CESOP accounts ^(j)	41,973	—	—	41,973
Other funds ^(k)	—	16,200	—	16,200
Total	\$ 352,738	\$ 240,794	\$ —	\$ 593,532

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
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Plan assets are invested in various asset categories utilizing multiple strategies and investment managers. For several of the investments in the table above and discussed below, the Plan owns units in commingled funds that invest in various types of assets. Interests in commingled funds are valued using the net asset value ("NAV") per unit of each fund. The NAV reported by the fund manager is based on the market value of the underlying investments owned by each fund, minus its liabilities, divided by the number of shares outstanding. All commingled funds held by the Plan can be redeemed at NAV and are classified as Level 2. Below is an overview of the asset categories, the underlying strategies and valuation inputs used to value the assets in the table above.

The Plan's trustee utilizes external pricing vendors to value individual securities. The pricing vendors utilize pricing methodologies that are widely accepted in the industry, which primarily includes using observable market information.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. Plan management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2011, there were no significant transfers into or out of Levels 1 or 2. The following is a description of the asset categories:

(a) U.S. stock growth funds – This asset category represents investments in mutual funds as well as an investment in a separately managed fund with characteristics similar to the Russell 1000 Growth Stock Index. This index is comprised of the performance of the large-cap growth segment of the U.S. equity universe focusing on companies with higher price-to-book ratios and higher forecasted growth values. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The separately managed fund is valued at NAV based on the market value of the underlying securities which are valued at the bid price reported in the active market in which the security is traded. The separately managed funds can be redeemed at NAV within a year of the financial statement date and is classified as Level 2.

(b) Investment-grade bond funds - This asset category represents investments in two separately managed funds. One of the funds has characteristics similar to the Barclays Capital U.S. Aggregate Bond Index. This index is comprised of U.S. treasury securities, U.S. governmental agencies, corporate bonds, mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities. The other fund invests in high-quality, diversified, short maturity bonds and includes investments in U.S. government bonds, corporate bonds, mortgage-backed securities and bonds of non-U.S. issuers with maturities that range from one to three years. The valuation inputs of other investment grade bonds primarily utilize observable market information and are based on a spread to U.S. treasury securities and consider yields available on comparable securities of issuers with similar credit ratings. The primary observable inputs include references to the new issue market for similar securities, the secondary trading markets and dealer quotes. Option adjusted spread models are utilized to evaluate securities such as asset backed securities that have early redemption features. The separately managed funds can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(c) Target-date retirement funds- This asset category represents investments in mutual funds that invest in a broad array of U.S. and international stocks and bonds. The asset mix of each fund is based on the average investment time horizon, average risk and the expected performance of various asset classes with the aim of building an asset portfolio that may have a better chance of reaching a specific financial target. The funds are benchmarked to the Morningstar Lifetime Moderate Allocation index series. This index series is designed to meet the benchmarking needs of target-date investors by offering an objective yardstick for performance comparison. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1.

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

(d) Large-cap U.S. stock value funds – This asset category represents an investment in a mutual fund as well as an investment in a separately managed fund with characteristics similar to the Russell 1000 Value Stock Index. This index is comprised of the large-cap value segment of the U.S. equity universe focusing on companies with lower price-to-book ratios and lower expected growth values. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The separately managed fund is valued at NAV based on the market value of the underlying securities which are valued at the bid price reported in the active market in which the security is traded. The separately managed fund can be redeemed at NAV within a year of the financial statement date and is classified as Level 2.

(e) Short-term funds – This asset category represents an investment in a commingled fund that invests in short-term debt securities with high credit ratings known as money market instruments. This commingled fund is valued at the NAV and is classified as Level 2.

(f) Small-cap U.S. stock funds - This asset category represents an investment in a mutual fund as well as investments in a separately managed account and a commingled fund. The individual securities contained in these investments are representative of the small capitalization companies included in the Russell 2000 Index. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. The separately managed fund and commingled fund is valued at the NAV. The separately managed fund and commingled fund can be redeemed at NAV within a year of the financial statement date and are classified as Level 2.

(g) Large-cap U.S. stock funds - This asset category represents an investment in a mutual fund that invests primarily in companies that pay dividends or have the potential to pay dividends in the future. The fund seeks to closely reproduce the returns of the U.S. stock market captured by the S&P 500 index. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1.

(h) Mid-cap U.S. stock funds - This asset category represents investments in two mutual funds that invest in the individual securities of the small and middle capitalization companies included in the Russell mid-cap indices. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1.

(i) Global and international funds - This asset category seeks to provide investment results that correspond generally to the price and yield performance, before fees and expenses, of publicly traded securities in the European, Australasian and Far Eastern markets as measured by the MSCI EAFE Index. Mutual funds are valued at the bid price reported in the active market in which the security is traded and are classified as Level 1. There are also investments in commingled funds that invest in individual securities of companies based in developed countries outside the U.S. as represented by the MSCI EAFE and MSCI All Country World -U.S. Indices. The investment strategies in this category include a passively managed fund designed to track index performance and actively managed funds whose objective is to outperform their respective indices. These commingled funds are valued at the NAV and are classified as Level 2.

(j) TRASOP and CESOP accounts - This asset category represents employee stock ownership plans in investments in CenturyLink common stock valued at the last published bid price reported and is classified as Level 1.

(k) Other funds - This asset category represents an investment in a commingled fund that passively invests substantially all of its assets in securities that comprise the S&P 500. The fund seeks to closely reproduce the returns of the U.S. stock market captured by the S&P 500 index. This commingled fund is valued at the NAV and is classified as Level 2.

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

6. INFORMATION PREPARED AND CERTIFIED BY THE TRUSTEE

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Wells Fargo, the trustee of the Plan during the three month period ended March 31, 2012 and all of 2011, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate with respect to investments:

- Investments at fair value – at December 31, 2011.
- Notes receivable from participants – at December 31, 2011.
- Net appreciation (depreciation) in fair value of investments – for the three month period ended March 31, 2012.
- Dividend and investment interest – for the three month period ended March 31, 2012.
- Interest income on notes receivable from participants – for the three month period ended March 31, 2012.
- Schedule of Reportable Transactions – for the three month period ended March 31, 2012.

Accordingly, the Plan administrator instructed the Plan's independent auditor not to perform any auditing procedures with respect to the investment information certified by the trustee of the Plan as complete and accurate, except for comparing such information certified by the trustee to information included in the Plan's financial statements and supplemental schedule.

7. RELATED PARTY TRANSACTIONS

Certain administrative functions are performed by employees of CenturyLink and its subsidiaries, none of whom receive compensation from the Plan.

The Plan incurred investment management fees payable to CenturyLink Investment Management, an affiliate of CenturyLink, the Plan sponsor in 2012 and 2011. A portion of the expense ratio associated with the mutual funds may be used to offset the Plan's general administrative expenses. In 2012 the Plan also paid fees to Wells Fargo for certain record-keeping and other administrative functions. Fees paid by the Plan for administrative and recordkeeping services were approximately \$359,000 for the three month period ended March 31, 2012.

During 2012 and 2011, participants were unable to invest their own contributions in the Sprint Nextel, Embarq or CenturyLink common stock funds, nor were matching contributions allowed to be invested in those funds.

8. RECONCILIATION TO FORM 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

	March 31, 2012	December 31, 2011
	(Dollars in thousands)	
Net assets available for plan benefits per the financial statements to the Form 5500	\$ —	\$ 614,057
Investment income receivable	—	(97)
Interest on notes receivable from participants due to the Plan	—	(90)
Administrative expenses payable to service providers	—	163
Net assets available for benefits per the Form 5500	<u>\$ —</u>	<u>\$ 614,033</u>

EMBARQ RETIREMENT SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2012 and December 31, 2011

The following is a reconciliation of total additions per the financial statements to the Form 5500 during the three month period ended March 31, 2012:

	(Dollars in thousands)
Total additions per the financial statement at March 31, 2012	\$ 53,816
Less: Investment income due from mutual funds	(97)
Add: Investment income received from mutual funds for prior year	97
Add: Interest income received on notes receivable from participants for prior year	90
Total income per the Form 5500 at March 31, 2012	<u>\$ 53,726</u>

The following is a reconciliation of total deductions per the financial statements to the Form 5500 during the three month period ended March 31, 2012:

	(Dollars in thousands)
Total deductions per the financial statements at March 31, 2012	\$ 26,143
Less: Administrative expenses payable to service providers	(163)
Add: Administrative expenses paid to service providers for prior periods	10
Total expenses per the Form 5500 at March 31, 2012	<u>\$ 25,990</u>

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 10, 2013, and determined that no additional disclosures are necessary. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

EMBARQ RETIREMENT SAVINGS PLAN
SUPPLEMENTAL SCHEDULE
Form 5500, Schedule H, Line 4j – Schedule of Reportable Transactions
EIN: 20-2923630 / PN: 002
For the three month period ended March 31, 2012

Category I Reportable Transactions - Single Transactions by Issue in Excess of 5%

(a)	(b)		(c)	(d)	(f)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Number of Transactions	Purchase Price	Sale Price	Expense Incurred	Cost of Asset	Current Value of Asset on Transaction Date	Net gain (loss)
	Fidelity Equity Income Fund #23- 873,352 Shares	1		\$ 39,781,174	-	\$ 38,627,047	\$ 39,781,174	\$ 1,154,127
	Fidelity Magellan Fund #21- 930,867 Shares	1		\$ 68,213,900	-	\$ 66,598,637	\$ 68,213,900	\$ 1,615,263
	Vanguard Target Retirement 2020 Fund – 1,459,549 Shares	1		\$ 34,241,018	-	\$ 32,294,111	\$ 34,241,018	\$ 1,946,907

There were no category II, III or IV reportable transactions for the Plan period ended March 31, 2012.

See accompanying independent auditor's report.