



# FINANCIAL AND OPERATING INFORMATION

As of December 31, 2013

Verizon Communications

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## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2011	2012	2013
<b>Operating Revenues</b>	\$ 110,875	\$ 115,846	\$ 120,550
<b>Operating Expenses</b>			
Cost of services and sales	45,875	46,275	44,887
Selling, general & administrative expense	35,624	39,951	27,089
Depreciation and amortization expense	16,496	16,460	16,606
<b>Total Operating Expenses</b>	<b>97,995</b>	<b>102,686</b>	<b>88,582</b>
<b>Operating Income</b>	12,880	13,160	31,968
Equity in earnings of unconsolidated businesses	444	324	142
Other income and (expense), net	(14)	(1,016)	(166)
Interest expense	(2,827)	(2,571)	(2,667)
<b>Income Before (Provision) Benefit for Income Taxes</b>	10,483	9,897	29,277
(Provision) Benefit for income taxes	(285)	660	(5,730)
<b>Net Income</b>	<b>\$ 10,198</b>	<b>\$ 10,557</b>	<b>\$ 23,547</b>
Net income attributable to noncontrolling interests	\$ 7,794	\$ 9,682	\$ 12,050
Net income attributable to Verizon	2,404	875	11,497
<b>Net Income</b>	<b>\$ 10,198</b>	<b>\$ 10,557</b>	<b>\$ 23,547</b>
<b>Basic Earnings per Common Share</b>			
Net income attributable to Verizon	\$ .85	\$ .31	\$ 4.01
<i>Weighted average number of common shares (in millions)</i>	2,833	2,853	2,866
<b>Diluted Earnings per Common Share <sup>(1)</sup></b>			
Net income attributable to Verizon	\$ .85	\$ .31	\$ 4.00
<i>Weighted average number of common shares-assuming dilution (in millions)</i>	2,839	2,862	2,874

**Notes:**

(1) Diluted Earnings per Common Share includes the dilutive effect of shares issuable under our stock-based compensation plans. Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Revenues</b>	\$28,242	\$28,552	\$29,007	\$30,045	\$29,420	\$29,786	\$30,279	<b>\$31,065</b>
<b>Operating Expenses</b>								
Cost of services and sales	11,319	10,896	10,991	13,069	10,932	11,033	10,960	<b>11,962</b>
Selling, general & administrative expense	7,700	7,877	8,366	16,008	8,148	8,047	8,037	<b>2,857</b>
Depreciation and amortization expense	4,028	4,128	4,167	4,137	4,118	4,151	4,154	<b>4,183</b>
<b>Total Operating Expenses</b>	<b>23,047</b>	<b>22,901</b>	<b>23,524</b>	<b>33,214</b>	<b>23,198</b>	<b>23,231</b>	<b>23,151</b>	<b>19,002</b>
<b>Operating Income (Loss)</b>	<b>5,195</b>	<b>5,651</b>	<b>5,483</b>	<b>(3,169)</b>	<b>6,222</b>	<b>6,555</b>	<b>7,128</b>	<b>12,063</b>
Equity in earnings of unconsolidated businesses	103	72	62	87	(5)	120	19	<b>8</b>
Other income and (expense), net	19	34	10	(1,079)	39	25	20	<b>(250)</b>
Interest expense	(685)	(679)	(632)	(575)	(537)	(514)	(555)	<b>(1,061)</b>
<b>Income (Loss) Before (Provision) Benefit for Income Taxes</b>	<b>4,632</b>	<b>5,078</b>	<b>4,923</b>	<b>(4,736)</b>	<b>5,719</b>	<b>6,186</b>	<b>6,612</b>	<b>10,760</b>
(Provision) Benefit for income taxes	(726)	(793)	(631)	2,810	(864)	(988)	(1,034)	<b>(2,844)</b>
<b>Net Income (Loss)</b>	<b>\$ 3,906</b>	<b>\$ 4,285</b>	<b>\$ 4,292</b>	<b>\$ (1,926)</b>	<b>\$ 4,855</b>	<b>\$ 5,198</b>	<b>\$ 5,578</b>	<b>\$ 7,916</b>
Net income attributable to noncontrolling interests	\$ 2,220	\$ 2,460	\$ 2,699	\$ 2,303	\$ 2,903	\$ 2,952	\$ 3,346	<b>\$ 2,849</b>
Net income (loss) attributable to Verizon	1,686	1,825	1,593	(4,229)	1,952	2,246	2,232	<b>5,067</b>
<b>Net Income (Loss)</b>	<b>\$ 3,906</b>	<b>\$ 4,285</b>	<b>\$ 4,292</b>	<b>\$ (1,926)</b>	<b>\$ 4,855</b>	<b>\$ 5,198</b>	<b>\$ 5,578</b>	<b>\$ 7,916</b>
<b>Basic Earnings (Loss) per Common Share</b>								
Net income (Loss) attributable to Verizon	\$ .59	\$ .64	\$ .56	\$ (1.48)	\$ .68	\$ .78	\$ .78	<b>\$ 1.77</b>
Weighted average number of common shares (in millions)	2,842	2,849	2,857	2,862	2,866	2,865	2,866	<b>2,867</b>
<b>Diluted Earnings (Loss) per Common Share <sup>(1)</sup></b>								
Net income (Loss) attributable to Verizon	\$ .59	\$ .64	\$ .56	\$ (1.48)	\$ .68	\$ .78	\$ .78	<b>\$ 1.76</b>
Weighted average number of common shares-assuming dilution (in millions)	2,849	2,858	2,866	2,862	2,872	2,872	2,874	<b>2,875</b>

**Notes:**

(1) If there is a net loss, diluted EPS is the same as basic EPS. Diluted Earnings per Common Share includes the dilutive effect of shares issuable under our stock-based compensation plans.

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

EPS may not add due to rounding.

## Non-Operational & Other Items

Unaudited	(Pre-tax dollars in millions)		
	2011	2012	2013
<b>Severance, Pension &amp; Benefit Charges/(Credits)</b>			
Operating expenses	\$ 5,954	\$ 7,186	\$ (6,232)
<b>Gain on Spectrum License Transactions</b>			
Selling, general & administrative expense	\$ -	\$ -	\$ (278)
<b>Litigation Settlements</b>			
Selling, general & administrative expense	\$ -	\$ 384	\$ -
<b>Early Debt Redemption and Other Restructuring Costs</b>			
Cost of services and sales	\$ -	\$ 40	\$ -
Selling, general & administrative expense	-	236	-
Other income (expense), net	120	1,097	-
<b>Wireless Transaction Costs</b>			
Other income (expense), net	\$ -	\$ -	\$ 927

## Non-Operational & Other Items

(Pre-tax dollars in millions)

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Severance, Pension &amp; Benefit Charges/(Credits)</b>								
Operating expenses	\$ -	\$ -	\$ -	\$ 7,186	\$ -	\$ (237)	\$ -	\$ (5,995)
<b>Gain on Spectrum License Transactions</b>								
Selling, general & administrative expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (278)	\$ -
<b>Litigation Settlements</b>								
Selling, general & administrative expense	\$ -	\$ -	\$ 384	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Early Debt Redemption and Other Restructuring Costs</b>								
Cost of services and sales	\$ -	\$ -	\$ -	\$ 40	\$ -	\$ -	\$ -	\$ -
Selling, general & administrative expense	-	-	-	236	-	-	-	-
Other income and (expense), net	-	-	-	1,097	-	-	-	-
<b>Wireless Transaction Costs</b>								
Other income and (expense), net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62	\$ 865

## Condensed Consolidated Balance Sheets

Unaudited	(dollars in millions)		
	12/31/11	12/31/12	12/31/13
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 13,362	\$ 3,093	\$ 53,528
Short-term investments	592	470	601
Accounts receivable, net	11,776	12,576	12,439
Inventories	940	1,075	1,020
Prepaid expenses and other	4,269	4,021	3,406
Total current assets	30,939	21,235	70,994
Plant, property and equipment	215,626	209,575	220,865
Less accumulated depreciation	127,192	120,933	131,909
	88,434	88,642	88,956
Investments in unconsolidated businesses	3,448	3,401	3,432
Wireless licenses	73,250	77,744	75,747
Goodwill	23,357	24,139	24,634
Other intangible assets, net	5,878	5,933	5,800
Other assets	5,155	4,128	4,535
<b>Total Assets</b>	<b>\$ 230,461</b>	<b>\$ 225,222</b>	<b>\$ 274,098</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Debt maturing within one year	\$ 4,849	\$ 4,369	\$ 3,933
Accounts payable and accrued liabilities	14,689	16,182	16,453
Other	11,223	6,405	6,664
Total current liabilities	30,761	26,956	27,050
Long-term debt	50,303	47,618	89,658
Employee benefit obligations	32,957	34,346	27,682
Deferred income taxes	25,060	24,677	28,639
Other liabilities	5,472	6,092	5,653
Equity			
Common stock	297	297	297
Contributed capital	37,919	37,990	37,939
Reinvested earnings (Accumulated deficit)	1,179	(3,734)	1,782
Accumulated other comprehensive income	1,269	2,235	2,358
Common stock in treasury, at cost	(5,002)	(4,071)	(3,961)
Deferred compensation - employee stock ownership plans and other	308	440	421
Noncontrolling interests	49,938	52,376	56,580
Total equity	85,908	85,533	95,416
<b>Total Liabilities and Equity</b>	<b>\$ 230,461</b>	<b>\$ 225,222</b>	<b>\$ 274,098</b>

## Verizon - Selected Financial and Operating Statistics

Unaudited	12/31/11	12/31/12	12/31/13
Total debt (\$M)	\$ 55,152	\$ 51,987	\$ 93,591
Net debt (\$M)	\$ 41,790	\$ 48,894	\$ 40,063
Net debt / Adjusted EBITDA		1.3x	1.0x
Common shares outstanding end of period (M)	2,834	2,859	2,862
Total employees	193,900	183,400	176,800
Cash dividends declared per common share	\$ 1.975	\$ 2.030	\$ 2.090

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

## Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 5,909	\$ 10,001	\$ 9,714	\$ 3,093	\$ 5,475	\$ 1,788	\$ 56,710	\$ 53,528
Short-term investments	623	777	593	470	660	618	631	601
Accounts receivable, net	11,234	11,595	12,030	12,576	11,814	12,216	12,111	12,439
Inventories	1,063	856	1,223	1,075	798	1,040	1,193	1,020
Prepaid expenses and other	4,683	3,901	4,103	4,021	6,511	6,295	3,060	3,406
<b>Total current assets</b>	<b>23,512</b>	<b>27,130</b>	<b>27,663</b>	<b>21,235</b>	<b>25,258</b>	<b>21,957</b>	<b>73,705</b>	<b>70,994</b>
Plant, property and equipment	218,250	217,739	216,995	209,575	212,082	215,224	218,336	220,865
Less accumulated depreciation	130,064	129,844	129,185	120,933	123,901	126,892	129,809	131,909
	88,186	87,895	87,810	88,642	88,181	88,332	88,527	88,956
Investments in unconsolidated businesses	3,566	3,539	3,625	3,401	3,321	3,319	3,423	3,432
Wireless licenses	73,294	73,303	77,591	77,744	75,645	75,825	76,503	75,747
Goodwill	23,465	23,478	24,048	24,139	24,132	24,336	24,339	24,634
Other intangible assets, net	5,744	5,726	5,830	5,933	5,827	5,776	5,732	5,800
Other assets	5,154	5,001	4,515	4,128	3,822	3,801	4,446	4,535
<b>Total Assets</b>	<b>\$222,921</b>	<b>\$226,072</b>	<b>\$231,082</b>	<b>\$225,222</b>	<b>\$226,186</b>	<b>\$223,346</b>	<b>\$276,675</b>	<b>\$274,098</b>
<b>Liabilities and Equity</b>								
Current liabilities								
Debt maturing within one year	\$ 3,121	\$ 5,912	\$ 6,335	\$ 4,369	\$ 10,888	\$ 7,961	\$ 8,202	\$ 3,933
Accounts payable and accrued liabilities	13,231	13,973	16,003	16,182	14,030	14,671	15,622	16,453
Other	6,561	6,468	6,432	6,405	6,571	6,559	6,467	6,664
<b>Total current liabilities</b>	<b>22,913</b>	<b>26,353</b>	<b>28,770</b>	<b>26,956</b>	<b>31,489</b>	<b>29,191</b>	<b>30,291</b>	<b>27,050</b>
Long-term debt	48,476	46,479	46,467	47,618	41,993	41,791	90,938	89,658
Employee benefit obligations	32,164	31,909	30,904	34,346	34,048	33,835	33,738	27,682
Deferred income taxes	25,610	25,649	26,474	24,677	24,993	25,696	25,821	28,639
Other liabilities	5,337	5,254	5,839	6,092	6,075	5,677	5,622	5,653
Equity								
Common stock	297	297	297	297	297	297	297	297
Contributed capital	37,926	37,932	37,959	37,990	37,894	37,895	37,918	37,939
Reinvested earnings (Accumulated deficit)	1,444	1,845	1,968	(3,734)	(3,255)	(2,483)	(1,768)	1,782
Accumulated other comprehensive income	1,398	1,147	1,257	2,235	2,056	1,994	2,118	2,358
Common stock in treasury, at cost	(4,735)	(4,438)	(4,247)	(4,071)	(3,994)	(3,974)	(3,970)	(3,961)
Deferred compensation - employee stock ownership plans and other	341	367	411	440	312	332	390	421
Noncontrolling interests	51,750	53,278	54,983	52,376	54,278	53,095	55,280	56,580
<b>Total Equity</b>	<b>88,421</b>	<b>90,428</b>	<b>92,628</b>	<b>85,533</b>	<b>87,588</b>	<b>87,156</b>	<b>90,265</b>	<b>95,416</b>
<b>Total Liabilities and Equity</b>	<b>\$222,921</b>	<b>\$226,072</b>	<b>\$231,082</b>	<b>\$225,222</b>	<b>\$226,186</b>	<b>\$223,346</b>	<b>\$276,675</b>	<b>\$274,098</b>

## Verizon - Selected Financial and Operating Statistics

Unaudited	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
Total debt (\$M)	\$ 51,597	\$ 52,391	\$ 52,802	\$ 51,987	\$ 52,881	\$ 49,752	\$ 99,140	\$ 93,591
Net debt (\$M)	\$ 45,688	\$ 42,390	\$ 43,088	\$ 48,894	\$ 47,406	\$ 47,964	\$ 42,430	\$ 40,063
Net debt / Adjusted EBITDA				1.3x	1.2x	1.2x	1.1x	1.0x
Common shares outstanding end of period (M)	2,841	2,849	2,854	2,859	2,861	2,862	2,862	2,862
Total employees	191,800	188,200	184,500	183,400	181,900	180,900	178,300	176,800
Cash dividends declared per common share	\$ .500	\$ .500	\$ .515	\$ .515	\$ .515	\$ .515	\$ .530	\$ .530

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.



## Condensed Consolidated Statements of Cash Flows

	(dollars in millions)		
Unaudited	12 Months Ended 12/31/11	12 Months Ended 12/31/12	12 Months Ended 12/31/13
<b>Cash Flows From Operating Activities</b>			
Net Income	\$ 10,198	\$ 10,557	\$ 23,547
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	16,496	16,460	16,606
Employee retirement benefits	7,426	8,198	(5,052)
Deferred income taxes	(223)	(952)	5,785
Provision for uncollectible accounts	1,026	972	993
Equity in earnings of unconsolidated businesses, net of dividends received	36	77	(102)
Changes in current assets and liabilities, net of effects from acquisition/ disposition of businesses	(2,279)	(403)	(5)
Other, net	(2,900)	(3,423)	(2,954)
Net cash provided by operating activities	<u>29,780</u>	<u>31,486</u>	<u>38,818</u>
<b>Cash Flows From Investing Activities</b>			
Capital expenditures (including capitalized software)	(16,244)	(16,175)	(16,604)
Acquisitions of investments and businesses, net of cash acquired	(1,797)	(913)	(494)
Acquisitions of wireless licenses	(221)	(4,298)	(580)
Proceeds from dispositions of wireless licenses	-	363	2,111
Net change in short-term investments	35	27	63
Other, net	977	494	671
Net cash used in investing activities	<u>(17,250)</u>	<u>(20,502)</u>	<u>(14,833)</u>
<b>Cash Flows From Financing Activities</b>			
Proceeds from long-term borrowings	11,060	4,489	49,166
Repayments of long-term borrowings and capital lease obligations	(11,805)	(6,403)	(8,163)
Increase (decrease) in short-term obligations, excluding current maturities	1,928	(1,437)	(142)
Dividends paid	(5,555)	(5,230)	(5,936)
Proceeds from sale of common stock	241	315	85
Purchase of common stock for treasury	-	-	(153)
Special distribution to noncontrolling interests	-	(8,325)	(3,150)
Other, net	(1,705)	(4,662)	(5,257)
Net cash provided by (used in) financing activities	<u>(5,836)</u>	<u>(21,253)</u>	<u>26,450</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>6,694</u>	<u>(10,269)</u>	<u>50,435</u>
<b>Cash and cash equivalents, beginning of period</b>	<u>6,668</u>	<u>13,362</u>	<u>3,093</u>
<b>Cash and cash equivalents, end of period</b>	<u>\$ 13,362</u>	<u>\$ 3,093</u>	<u>\$ 53,528</u>

## Condensed Consolidated Statements of Cash Flows

	(dollars in millions)							
	3 Months	6 Months	9 Months	12 Months	3 Months	6 Months	9 Months	12 Months
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended
Unaudited	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
<b>Cash Flows From Operating Activities</b>								
Net Income	\$ 3,906	\$ 8,191	\$ 12,483	\$ 10,557	\$ 4,855	\$ 10,053	\$ 15,631	\$ 23,547
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization expense	4,028	8,156	12,323	16,460	4,118	8,269	12,423	16,606
Employee retirement benefits	375	751	1,126	8,198	295	354	649	(5,052)
Deferred income taxes	656	1,237	1,665	(952)	878	1,812	3,011	5,785
Provision for uncollectible accounts	278	521	709	972	260	507	746	993
Equity in earnings of unconsolidated businesses, net of dividends received	(89)	(149)	(197)	77	14	(95)	(100)	(102)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(1,580)	(1,136)	(197)	(403)	(1,491)	(1,660)	(1,078)	(5)
Other, net	(1,617)	(2,300)	(3,154)	(3,423)	(1,398)	(2,092)	(2,895)	(2,954)
Net cash provided by operating activities	5,957	15,271	24,758	31,486	7,531	17,148	28,387	38,818
<b>Cash Flows From Investing Activities</b>								
Capital expenditures (including capitalized software)	(3,565)	(7,430)	(11,315)	(16,175)	(3,602)	(7,616)	(11,807)	(16,604)
Acquisitions of investments and businesses, net of cash acquired	(140)	(203)	(838)	(913)	(21)	(76)	(81)	(494)
Acquisitions of wireless licenses	(25)	(33)	(4,179)	(4,298)	(117)	(264)	(430)	(580)
Proceeds from dispositions of wireless licenses	-	-	363	363	-	-	2,111	2,111
Net change in short-term investments	16	21	28	27	18	(21)	(11)	63
Other, net	41	61	516	494	123	142	195	671
Net cash used in investing activities	(3,673)	(7,584)	(15,425)	(20,502)	(3,599)	(7,835)	(10,023)	(14,833)
<b>Cash Flows From Financing Activities</b>								
Proceeds from long-term borrowings	-	-	-	4,489	500	499	49,166	49,166
Repayments of long-term borrowings and capital lease obligations	(1,828)	(1,891)	(2,878)	(6,403)	(73)	(2,330)	(2,392)	(8,163)
Increase (decrease) in short-term obligations, excluding current maturities	(1,734)	(887)	375	(1,437)	581	(432)	(324)	(142)
Dividends paid	(1,291)	(2,587)	(3,887)	(5,230)	(1,472)	(2,946)	(4,420)	(5,936)
Proceeds from sale of common stock	69	210	278	315	56	74	76	85
Purchase of common stock for treasury	-	-	-	-	(153)	(153)	(153)	(153)
Special distribution to noncontrolling interests	(4,500)	(4,500)	(4,500)	(8,325)	-	(3,150)	(3,150)	(3,150)
Other, net	(453)	(1,393)	(2,369)	(4,662)	(989)	(2,180)	(3,550)	(5,257)
Net cash provided by (used in) financing activities	(9,737)	(11,048)	(12,981)	(21,253)	(1,550)	(10,618)	35,253	26,450
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(7,453)</b>	<b>(3,361)</b>	<b>(3,648)</b>	<b>(10,269)</b>	<b>2,382</b>	<b>(1,305)</b>	<b>53,617</b>	<b>50,435</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>13,362</b>	<b>13,362</b>	<b>13,362</b>	<b>13,362</b>	<b>3,093</b>	<b>3,093</b>	<b>3,093</b>	<b>3,093</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 5,909</b>	<b>\$ 10,001</b>	<b>\$ 9,714</b>	<b>\$ 3,093</b>	<b>\$ 5,475</b>	<b>\$ 1,788</b>	<b>\$ 56,710</b>	<b>\$ 53,528</b>



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**WIRELESS**

## Wireless – Selected Financial Results

(dollars in millions)

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Revenues</b>								
Retail service	\$14,886	\$15,230	\$15,538	\$15,786	\$16,169	\$16,422	\$16,776	\$16,967
Other service	524	546	616	607	559	656	740	744
Service	15,410	15,776	16,154	16,393	16,728	17,078	17,516	17,711
Equipment	1,838	1,768	1,858	2,559	1,813	1,953	1,924	2,421
Other	1,025	1,033	1,012	1,042	982	945	959	993
<b>Total Operating Revenues</b>	<b>18,273</b>	<b>18,577</b>	<b>19,024</b>	<b>19,994</b>	<b>19,523</b>	<b>19,976</b>	<b>20,399</b>	<b>21,125</b>
<b>Operating Expenses</b>								
Cost of services and sales	5,910	5,558	5,690	7,332	5,651	5,799	5,652	6,546
Selling, general & administrative expense	5,228	5,295	5,250	5,877	5,448	5,666	5,801	6,261
Depreciation and amortization expense	1,918	2,011	2,037	1,994	2,006	2,047	2,060	2,089
<b>Total Operating Expenses</b>	<b>13,056</b>	<b>12,864</b>	<b>12,977</b>	<b>15,203</b>	<b>13,105</b>	<b>13,512</b>	<b>13,513</b>	<b>14,896</b>
<b>Operating Income</b>	<b>\$ 5,217</b>	<b>\$ 5,713</b>	<b>\$ 6,047</b>	<b>\$ 4,791</b>	<b>\$ 6,418</b>	<b>\$ 6,464</b>	<b>\$ 6,886</b>	<b>\$ 6,229</b>
<b>Operating Income Margin</b>	<b>28.6%</b>	<b>30.8%</b>	<b>31.8%</b>	<b>24.0%</b>	<b>32.9%</b>	<b>32.4%</b>	<b>33.8%</b>	<b>29.5%</b>
<b>Segment EBITDA</b>	<b>\$ 7,135</b>	<b>\$ 7,724</b>	<b>\$ 8,084</b>	<b>\$ 6,785</b>	<b>\$ 8,424</b>	<b>\$ 8,511</b>	<b>\$ 8,946</b>	<b>\$ 8,318</b>
<b>Segment EBITDA Service Margin</b>	<b>46.3%</b>	<b>49.0%</b>	<b>50.0%</b>	<b>41.4%</b>	<b>50.4%</b>	<b>49.8%</b>	<b>51.1%</b>	<b>47.0%</b>

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of non-operational items, as the Company's chief operating decision maker excludes these items in assessing business unit performance.

Intersegment transactions have not been eliminated.

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

## Wireless – Selected Operating Statistics

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Connections ('000)</b>								
Retail postpaid	87,963	88,838	90,354	92,530	93,186	94,271	95,185	<b>96,752</b>
Retail prepaid	5,025	5,316	5,545	5,700	5,744	5,853	5,965	<b>6,047</b>
Retail	92,988	94,154	95,899	98,230	98,930	100,124	101,150	<b>102,799</b>
<b>Net Add Detail ('000) <sup>(1)</sup></b>								
Retail postpaid	501	888	1,535	2,100	677	941	927	<b>1,573</b>
Retail prepaid	233	290	228	142	43	97	134	<b>80</b>
Retail	734	1,178	1,763	2,242	720	1,038	1,061	<b>1,653</b>
<b>Account Statistics</b>								
Retail postpaid accounts ('000)	34,569	34,646	34,796	35,057	34,943	34,958	34,972	<b>35,083</b>
Retail postpaid ARPA	\$140.58	\$143.32	\$145.42	\$146.80	\$150.27	\$152.50	\$155.74	<b>\$157.21</b>
Retail postpaid connections per account	2.54	2.56	2.60	2.64	2.67	2.70	2.72	<b>2.76</b>
<b>Churn Detail</b>								
Retail postpaid	0.96%	0.84%	0.91%	0.95%	1.01%	0.93%	0.97%	<b>0.96%</b>
Retail	1.24%	1.11%	1.18%	1.24%	1.30%	1.23%	1.28%	<b>1.27%</b>
<b>Retail Postpaid Connection Statistics</b>								
Total Smartphone postpaid % of phones activated	71.1%	71.6%	77.3%	85.4%	84.3%	84.4%	84.9%	<b>88.9%</b>
Total Smartphone postpaid phone base	46.8%	49.7%	53.2%	58.1%	61.4%	64.4%	67.2%	<b>70.0%</b>
Total Internet postpaid base	8.3%	8.5%	8.8%	9.3%	9.6%	9.9%	10.2%	<b>10.7%</b>
<b>Other Operating Statistics</b>								
Capital expenditures (\$M)	\$ 1,885	\$ 2,048	\$ 2,133	\$ 2,791	\$ 1,992	\$ 2,278	\$ 2,450	<b>\$ 2,705</b>

**Footnotes:**

(1) Connection net additions exclude acquisitions and adjustments.

The segment financial results and metrics above are adjusted to exclude the effects of non-operational items, as the Company's chief operating decision maker excludes these items in assessing business unit performance.

Intersegment transactions have not been eliminated.

Certain reclassifications have been made, where appropriate, to reflect comparable operating results.



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# WIRELINER

## Wireline – Selected Financial Results

(dollars in millions)

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Revenues</b>								
Consumer retail	\$ 3,441	\$ 3,478	\$ 3,555	\$ 3,569	\$ 3,589	\$ 3,643	\$ 3,709	\$ 3,796
Small business	662	667	670	660	651	648	650	642
Mass Markets	4,103	4,145	4,225	4,229	4,240	4,291	4,359	4,438
Strategic services	1,969	1,983	2,010	2,090	2,087	2,079	2,115	2,139
Core	1,883	1,837	1,771	1,756	1,666	1,557	1,553	1,507
Global Enterprise	3,852	3,820	3,781	3,846	3,753	3,636	3,668	3,646
Global Wholesale	1,861	1,827	1,782	1,770	1,727	1,686	1,669	1,632
Other	129	139	126	145	110	121	118	129
<b>Total Operating Revenues</b>	<b>9,945</b>	<b>9,931</b>	<b>9,914</b>	<b>9,990</b>	<b>9,830</b>	<b>9,734</b>	<b>9,814</b>	<b>9,845</b>
<b>Operating Expenses</b>								
Cost of services and sales	5,572	5,500	5,463	5,878	5,457	5,407	5,483	5,581
Selling, general & administrative expense	2,126	2,141	2,303	2,313	2,265	2,168	2,102	2,060
Depreciation and amortization expense	2,090	2,102	2,107	2,125	2,095	2,085	2,074	2,073
<b>Total Operating Expenses</b>	<b>9,788</b>	<b>9,743</b>	<b>9,873</b>	<b>10,316</b>	<b>9,817</b>	<b>9,660</b>	<b>9,659</b>	<b>9,714</b>
<b>Operating Income (Loss)</b>	<b>\$ 157</b>	<b>\$ 188</b>	<b>\$ 41</b>	<b>\$ (326)</b>	<b>\$ 13</b>	<b>\$ 74</b>	<b>\$ 155</b>	<b>\$ 131</b>
<b>Operating Income Margin</b>	<b>1.6%</b>	<b>1.9%</b>	<b>0.4%</b>	<b>(3.3)%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>1.6%</b>	<b>1.3%</b>
<b>Segment EBITDA</b>	<b>\$ 2,247</b>	<b>\$ 2,290</b>	<b>\$ 2,148</b>	<b>\$ 1,799</b>	<b>\$ 2,108</b>	<b>\$ 2,159</b>	<b>\$ 2,229</b>	<b>\$ 2,204</b>
<b>Segment EBITDA Margin</b>	<b>22.6%</b>	<b>23.1%</b>	<b>21.7%</b>	<b>18.0%</b>	<b>21.4%</b>	<b>22.2%</b>	<b>22.7%</b>	<b>22.4%</b>

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of non-operational items, as the Company's chief operating decision maker excludes these items in assessing business unit performance.

Intersegment transactions have not been eliminated.

Certain reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results.

## Wireline – Selected Operating Statistics

Unaudited	2012				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Connections ('000)</b>								
FiOS Video Subscribers	4,353	4,473	4,592	4,726	4,895	5,035	5,170	<b>5,262</b>
FiOS Internet Subscribers	5,010	5,144	5,280	5,424	5,612	5,773	5,946	<b>6,072</b>
FiOS Digital Voice residence connections	2,298	2,648	2,938	3,227	3,531	3,817	4,069	<b>4,248</b>
FiOS Digital connections	11,661	12,265	12,810	13,377	14,038	14,625	15,185	<b>15,582</b>
HSI	3,764	3,632	3,488	3,371	3,282	3,166	3,049	<b>2,943</b>
Total Broadband connections	8,774	8,776	8,768	8,795	8,894	8,939	8,995	<b>9,015</b>
Primary residence switched access connections	9,344	8,843	8,384	7,982	7,593	7,200	6,821	<b>6,481</b>
Primary residence connections	11,642	11,491	11,322	11,209	11,124	11,017	10,890	<b>10,729</b>
Total retail residence voice connections	12,421	12,222	12,005	11,849	11,725	11,583	11,421	<b>11,229</b>
Total voice connections	23,700	23,278	22,847	22,503	22,191	21,828	21,457	<b>21,085</b>
<b>Net Add Detail ('000)</b>								
FiOS Video Subscribers	180	120	119	134	169	140	135	<b>92</b>
FiOS Internet Subscribers	193	134	136	144	188	161	173	<b>126</b>
FiOS Digital Voice residence connections	414	350	290	289	304	286	252	<b>179</b>
FiOS Digital connections	787	604	545	567	661	587	560	<b>397</b>
HSI	(89)	(132)	(144)	(117)	(89)	(116)	(117)	<b>(106)</b>
Total Broadband connections	104	2	(8)	27	99	45	56	<b>20</b>
Primary residence switched access connections	(562)	(501)	(459)	(402)	(389)	(393)	(379)	<b>(340)</b>
Primary residence connections	(148)	(151)	(169)	(113)	(85)	(107)	(127)	<b>(161)</b>
Total retail residence voice connections	(205)	(199)	(217)	(156)	(124)	(142)	(162)	<b>(192)</b>
Total voice connections	(437)	(422)	(431)	(344)	(312)	(363)	(371)	<b>(372)</b>
<b>Revenue &amp; ARPU Statistics</b>								
Consumer ARPU	\$ 97.88	\$ 100.26	\$ 103.86	\$ 105.63	\$ 107.15	\$ 109.67	\$ 112.86	<b>\$ 117.06</b>
FiOS revenues (\$M)	\$ 2,288	\$ 2,380	\$ 2,489	\$ 2,565	\$ 2,633	\$ 2,731	\$ 2,823	<b>\$ 2,965</b>
Strategic services as a % of total Enterprise revenues	51.1%	51.9%	53.2%	54.3%	55.6%	57.2%	57.7%	<b>58.7%</b>
<b>Other Operating Statistics</b>								
Capital expenditures (\$M)	\$ 1,537	\$ 1,596	\$ 1,484	\$ 1,725	\$ 1,434	\$ 1,515	\$ 1,518	<b>\$ 1,762</b>
Wireline employees (K)	90.8	88.6	87.4	86.4	85.2	84.7	83.6	<b>81.9</b>
FiOS Video Open for Sale (K)	13,460	13,721	13,957	14,200	14,374	14,607	14,824	<b>15,022</b>
FiOS Video penetration	32.3%	32.6%	32.9%	33.3%	34.1%	34.5%	34.9%	<b>35.0%</b>
FiOS Internet Open for Sale (K)	13,780	14,044	14,283	14,528	14,703	14,943	15,167	<b>15,368</b>
FiOS Internet penetration	36.4%	36.6%	37.0%	37.3%	38.2%	38.6%	39.2%	<b>39.5%</b>

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of non-operational items, as the Company's chief operating decision maker excludes these items in assessing business unit performance.

Intersegment transactions have not been eliminated.

Certain reclassifications have been made, where appropriate, to reflect comparable operating results.





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# NON-GAAP RECONCILIATIONS

As of December 31, 2013

## Definitions – Non-GAAP Measures

### Non-GAAP Measures

Verizon's financial information includes information prepared in conformity with generally accepted accounting principles (GAAP) as well as non-GAAP information. It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP consolidated financial information and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies.

### Consolidated Adjusted Operating Income

Verizon Consolidated Adjusted Operating Income (Adjusted Operating Income) is a non-GAAP measure and does not purport to be an alternative to GAAP items as a measure of operating performance. Management believes that this measure is useful to investors and other users of our financial information in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. Adjusted Operating Income is calculated by excluding the effect of non-operational items from the calculation of Consolidated Operating Income.

### EBITDA and EBITDA Margin

Verizon Consolidated Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), Segment EBITDA and EBITDA margins are non-GAAP measures and do not purport to be alternatives to GAAP items as measures of operating performance. Management believes that these measures are useful to investors and other users of our financial information in evaluating operating profitability on a more variable cost basis, as they exclude the depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior years, as well as in evaluating operating performance in relation to Verizon's competitors.

Consolidated - Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in earnings of unconsolidated businesses and other income and (expense), net to net income. Consolidated Adjusted EBITDA is calculated by excluding the effect of non-operational items from the calculation of Consolidated EBITDA. Consolidated EBITDA margin is calculated by dividing Consolidated EBITDA by Consolidated Operating Revenues. Consolidated Adjusted EBITDA margin is calculated by dividing Consolidated Adjusted EBITDA by Consolidated Operating Revenues. Management believes that Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA margin provide additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance.

Wireless - Wireless Segment EBITDA is calculated by adding back depreciation and amortization expense to Wireless Segment Operating Income, and Wireless Segment EBITDA Service margin is calculated by dividing Wireless Segment EBITDA by Wireless service revenues. The Wireless Segment EBITDA Service margin utilizes service revenues rather than Wireless' total operating revenues in order to capture the impact of providing service to the Wireless customer base on an ongoing basis. Service revenues primarily exclude equipment revenues (as well as other non-service revenues).

Wireline - Wireline Segment EBITDA is calculated by adding back depreciation and amortization expense to Wireline Segment Operating Income, and Wireline Segment EBITDA margin is calculated by dividing Wireline Segment EBITDA by Wireline total operating revenues.

### Adjusted Earnings Per Common Share

Adjusted Earnings Per Common Share (Adjusted EPS) and Adjusted Earnings Per Common Share excluding the impact of Superstorm Sandy are non-GAAP financial measures that management believes are useful to investors and other users of our financial information in evaluating our operating results and understanding our operating trends. Adjusted EPS is calculated by excluding the effect of non-operational or non-recurring items from the calculation of reported EPS. Adjusted Earnings Per Common Share excluding the impact of Superstorm Sandy is calculated by adding back the effect of Superstorm Sandy to the calculation of Adjusted EPS. Management believes that these measures provide additional relevant and useful information to investors and other users of our financial data in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance as they exclude the substantial impact of these events on the business.

### Free Cash Flow

Free Cash Flow is a non-GAAP financial measure that management believes is useful to investors and other users of our financial information in evaluating cash available to pay debt and dividends. Free Cash Flow is calculated by subtracting capital expenditures from net cash provided by operating activities.

## Definitions – Non-GAAP Measures

### **Net Debt and Net Debt to Adjusted EBITDA Ratio**

Net Debt and the Net Debt to Adjusted EBITDA Ratio are non-GAAP financial measures that management believes are useful to investors and other users of our financial information in evaluating Verizon's leverage. Net Debt is calculated by subtracting cash and cash equivalents from the sum of debt maturing within one year and long-term debt. For purposes of the Net Debt to Adjusted EBITDA Ratio, Adjusted EBITDA is calculated for the last twelve months. Management believes that this presentation assists investors and other users of our financial information in understanding trends that are indicative of future operating results given the non-operational nature of the items excluded from the calculation.

### **Consolidated Adjusted Operating Income, Adjusted EBITDA and Adjusted EPS**

Consolidated Adjusted Operating Income, Consolidated Adjusted EBITDA and Adjusted EPS include pension expenses calculated based on the prior year-end discount rate and expected return on plan assets used during the first three quarters of the year, as opposed to the actual discount rate and return on plan assets, which are not available until December 31 or upon a remeasurement event. Management believes that excluding actuarial gains or losses as a result of a remeasurement provides investors and other users of our financial information with more meaningful sequential and year-over-year quarterly comparisons and is consistent with management's evaluation of business performance.

## Consolidated Reconciliations

Unaudited	(dollars in millions)		3 Months	12 Months	3 Months	12 Months
			Ended	Ended	Ended	Ended
	12/31/12	12/31/12	12/31/13	12/31/13	12/31/13	12/31/13
<b>Consolidated Operating Revenues</b>	\$30,045	\$115,846	\$ 31,065	\$120,550		

Unaudited	(dollars in millions)							
	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months	3 Months
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended
	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
<b>Adjusted EBITDA - Verizon</b>								
<b>Verizon Consolidated EBITDA</b>								
Consolidated net income (loss)	\$ 3,906	\$ 4,285	\$ 4,292	\$ (1,926)	\$ 4,855	\$ 5,198	\$ 5,578	\$ 7,916
Add/Subtract non-operating items:								
Provision (Benefit) for income taxes	726	793	631	(2,810)	864	988	1,034	2,844
Interest expense	685	679	632	575	537	514	555	1,061
Other (income) and expense, net	(19)	(34)	(10)	1,079	(39)	(25)	(20)	250
Equity in earnings of unconsolidated businesses	(103)	(72)	(62)	(87)	5	(120)	(19)	(8)
<b>Operating Income (Loss)</b>	5,195	5,651	5,483	(3,169)	6,222	6,555	7,128	12,063
Add: Depreciation and amortization expense	4,028	4,128	4,167	4,137	4,118	4,151	4,154	4,183
<b>Consolidated EBITDA</b>	\$ 9,223	\$ 9,779	\$ 9,650	\$ 968	\$10,340	\$10,706	\$ 11,282	\$ 16,246
<b>Consolidated Operating Income Margin</b>				(10.5)%				38.8%
<b>Consolidated EBITDA Margin</b>				3.2 %				52.3%
<b>Consolidated EBITDA Margin - YTD <sup>(1)</sup></b>				25.6 %				40.3%
<b>Operating Income (Loss)</b>	5,195	5,651	5,483	(3,169)	6,222	6,555	7,128	12,063
Add/Subtract other items (before tax):								
Severance, pension & benefit charges (credits)	-	-	-	7,186	-	(237)	-	(5,995)
Gain on spectrum license transaction	-	-	-	-	-	-	(278)	-
Litigation settlements	-	-	384	-	-	-	-	-
Other non-operational costs	-	-	-	276	-	-	-	-
<b>Adjusted Operating Income</b>	5,195	5,651	5,867	4,293	6,222	6,318	6,850	6,068
Add: Depreciation and amortization expense	4,028	4,128	4,167	4,137	4,118	4,151	4,154	4,183
<b>Consolidated Adjusted EBITDA</b>	\$ 9,223	\$ 9,779	\$10,034	\$ 8,430	\$10,340	\$10,469	\$ 11,004	\$ 10,251
<b>Consolidated Adjusted EBITDA Margin</b>				28.1 %				33.0%
<b>Consolidated Adjusted EBITDA Margin - YTD <sup>(1)</sup></b>				32.3 %				34.9%

(1) Year-to-date Consolidated EBITDA and Consolidated Adjusted EBITDA represent the sum of the quarterly results.

Unaudited	(dollars in millions)							
	3/31/12	6/30/12	9/30/12	12/31/12	3/31/13	6/30/13	9/30/13	12/31/13
<b>Net Debt to Adjusted EBITDA Ratio</b>								
<b>Verizon Net Debt</b>								
Debt maturing within one year	\$ 3,121	\$ 5,912	\$ 6,335	\$ 4,369	\$10,888	\$ 7,961	\$ 8,202	\$ 3,933
Long-term debt	48,476	46,479	46,467	47,618	41,993	41,791	90,938	89,658
<b>Total Debt</b>	51,597	52,391	52,802	51,987	52,881	49,752	99,140	93,591
Less: Cash and cash equivalents	5,909	10,001	9,714	3,093	5,475	1,788	56,710	53,528
<b>Net Debt</b>	\$45,688	\$42,390	\$43,088	\$ 48,894	\$47,406	\$47,964	\$ 42,430	\$ 40,063
<b>Net Debt to Adjusted EBITDA Ratio</b>				1.3x	1.2x	1.2x	1.1x	1.0x

## Earnings Per Share Reconciliations

Unaudited	3 Months Ended 12/31/12	12 Months Ended 12/31/12	3 Months Ended 9/30/13	<b>3 Months Ended 12/31/13</b>	<b>12 Months Ended 12/31/13</b>
<b>Adjusted EPS - Verizon</b>					
<b>Reported EPS</b>	\$ (1.48)	\$ 0.31	\$ 0.78	<b>\$ 1.76</b>	<b>\$ 4.00</b>
Severance, pension, and benefit charges (credits)	1.55	1.55	-	<b>(1.29)</b>	<b>(1.35)</b>
Gain on spectrum license transaction	-	-	(0.02)	-	<b>(0.02)</b>
Wireless transactions costs	-	-	(0.01)	<b>0.19</b>	<b>0.20</b>
Early debt redemption and other restructuring costs	0.31	0.31	-	-	-
Litigation settlements	-	0.08	-	-	-
<b>Adjusted EPS</b>	<b>\$ 0.38</b>	<b>\$ 2.24</b>	<b>\$ 0.77</b>	<b>\$ 0.66</b>	<b>\$ 2.84</b>
Superstorm Sandy impact	0.07	0.07	-	-	-
<b>Adjusted EPS excluding Superstorm Sandy Impact</b>	<b>\$ 0.45</b>	<b>\$ 2.31</b>	<b>\$ 0.77</b>	<b>\$ 0.66</b>	<b>\$ 2.84</b>

Note: EPS may not add due to rounding.

## Free Cash Flow Reconciliations

Unaudited	(dollars in millions)	
Unaudited	12 Months Ended 12/31/12	<b>12 Months Ended 12/31/13</b>
<b>Free Cash Flow - Verizon</b>		
<b>Verizon Free Cash Flow</b>		
<b>Net cash provided by operating activities</b>	<b>\$ 31,486</b>	<b>\$ 38,818</b>
Less: Capital expenditures	16,175	<b>16,604</b>
<b>Free Cash Flow</b>	<b>\$ 15,311</b>	<b>\$ 22,214</b>

## Wireless Reconciliations

(dollars in millions)

Unaudited	3 Months Ended 3/31/12	3 Months Ended 6/30/12	3 Months Ended 9/30/12	3 Months Ended 12/31/12	3 Months Ended 3/31/13	3 Months Ended 6/30/13	3 Months Ended 9/30/13	3 Months Ended 12/31/13
<b>Wireless Segment EBITDA</b>								
<b>Operating Income</b>	\$ 5,217	\$ 5,713	\$ 6,047	\$ 4,791	\$ 6,418	\$ 6,464	\$ 6,886	\$ 6,229
Add: Depreciation and amortization expense	1,918	2,011	2,037	1,994	2,006	2,047	2,060	2,089
<b>Wireless Segment EBITDA</b>	\$ 7,135	\$ 7,724	\$ 8,084	\$ 6,785	\$ 8,424	\$ 8,511	\$ 8,946	\$ 8,318
Wireless total operating revenues	\$ 18,273	\$ 18,577	\$ 19,024	\$ 19,994	\$ 19,523	\$ 19,976	\$ 20,399	\$ 21,125
Wireless service revenues	\$ 15,410	\$ 15,776	\$ 16,154	\$ 16,393	\$ 16,728	\$ 17,078	\$ 17,516	\$ 17,711
<b>Wireless Operating Income Margin</b>	28.6%	30.8%	31.8%	24.0%	32.9%	32.4%	33.8%	29.5%
<b>Wireless Segment EBITDA Service Margin</b>	46.3%	49.0%	50.0%	41.4%	50.4%	49.8%	51.1%	47.0%
<b>Wireless Segment EBITDA Service Margin -YTD <sup>(1)</sup></b>				46.6%				49.5%

(1) Year-to-date Wireless Segment EBITDA and Wireless Segment Service revenues represent the sum of the quarterly results.

## Wireline Reconciliations

(dollars in millions)

Unaudited	3 Months Ended 3/31/12	3 Months Ended 6/30/12	3 Months Ended 9/30/12	3 Months Ended 12/31/12	3 Months Ended 3/31/13	3 Months Ended 6/30/13	3 Months Ended 9/30/13	3 Months Ended 12/31/13
<b>Wireline Segment EBITDA</b>								
<b>Operating Income (Loss)</b>	\$ 157	\$ 188	\$ 41	\$ (326)	\$ 13	\$ 74	\$ 155	\$ 131
Add: Depreciation and amortization expense	2,090	2,102	2,107	2,125	2,095	2,085	2,074	2,073
<b>Wireline Segment EBITDA</b>	\$ 2,247	\$ 2,290	\$ 2,148	\$ 1,799	\$ 2,108	\$ 2,159	\$ 2,229	\$ 2,204
Wireline total operating revenues	\$ 9,945	\$ 9,931	\$ 9,914	\$ 9,990	\$ 9,830	\$ 9,734	\$ 9,814	\$ 9,845
<b>Wireline Operating Income Margin</b>	1.6%	1.9%	0.4%	(3.3)%	0.1%	0.8%	1.6%	1.3%
<b>Wireline Segment EBITDA Margin</b>	22.6%	23.1%	21.7%	18.0%	21.4%	22.2%	22.7%	22.4%
<b>Wireline Segment EBITDA Margin -YTD <sup>(1)</sup></b>				21.3%				22.2%

(1) Year-to-date Wireline Segment EBITDA and Wireline Segment revenues represent the sum of the quarterly results.