



Financial and Operating Information

As of December 31, 2016

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Condensed Consolidated Statements of Income

Unaudited	(dollars in millions, except per share amounts)		
	2014	2015	2016
Operating Revenues			
Service revenue and other	\$ 116,122	\$ 114,696	\$ 108,468
Wireless equipment revenues	10,957	16,924	17,512
Total Operating Revenues	127,079	131,620	125,980
Operating Expenses			
Cost of services	28,306	29,438	29,186
Wireless cost of equipment	21,625	23,119	22,238
Selling, general & administrative expense	41,016	29,986	31,569
Depreciation and amortization expense	16,533	16,017	15,928
Total Operating Expenses	107,480	98,560	98,921
Operating Income	19,599	33,060	27,059
Equity in earnings (losses) of unconsolidated businesses	1,780	(86)	(98)
Other income and (expense), net	(1,194)	186	(1,599)
Interest expense	(4,915)	(4,920)	(4,376)
Income Before Provision for Income Taxes	15,270	28,240	20,986
Provision for income taxes	(3,314)	(9,865)	(7,378)
Net Income	\$ 11,956	\$ 18,375	\$ 13,608
Net income attributable to noncontrolling interests	\$ 2,331	\$ 496	\$ 481
Net income attributable to Verizon	9,625	17,879	13,127
Net Income	\$ 11,956	\$ 18,375	\$ 13,608
Basic Earnings per Common Share			
Net income attributable to Verizon	\$ 2.42	\$ 4.38	\$ 3.22
<i>Weighted average number of common shares (in millions)</i>	<i>3,974</i>	<i>4,085</i>	<i>4,080</i>
Diluted Earnings per Common Share ⁽¹⁾			
Net Income attributable to Verizon	\$ 2.42	\$ 4.37	\$ 3.21
<i>Weighted average number of common shares-assuming dilution (in millions)</i>	<i>3,981</i>	<i>4,093</i>	<i>4,086</i>

Notes:

(1) Diluted Earnings per Common Share includes the dilutive effect of shares issuable under our stock-based compensation plans, which represents the only potential dilution.

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating Revenues								
Service revenue and other	\$ 28,611	\$ 28,363	\$ 28,866	\$ 28,856	\$ 28,217	\$ 26,828	\$ 26,813	\$ 26,610
Wireless equipment revenues	3,373	3,861	4,292	5,398	3,954	3,704	4,124	5,730
Total Operating Revenues	31,984	32,224	33,158	34,254	32,171	30,532	30,937	32,340
Operating Expenses								
Cost of services	6,988	6,994	7,589	7,867	7,614	7,577	6,989	7,006
Wireless cost of equipment	5,108	5,455	5,716	6,840	4,998	4,644	5,240	7,356
Selling, general & administrative expense	7,939	7,974	8,309	5,764	7,600	9,775	8,226	5,968
Depreciation and amortization expense	3,989	3,980	4,009	4,039	4,017	3,982	3,942	3,987
Total Operating Expenses	24,024	24,403	25,623	24,510	24,229	25,978	24,397	24,317
Operating Income	7,960	7,821	7,535	9,744	7,942	4,554	6,540	8,023
Equity in losses of unconsolidated businesses	(34)	(18)	(18)	(16)	(20)	(20)	(23)	(35)
Other income and (expense), net	75	32	51	28	32	(1,826)	97	98
Interest expense	(1,332)	(1,208)	(1,202)	(1,178)	(1,188)	(1,013)	(1,038)	(1,137)
Income Before Provision for Income Taxes	6,669	6,627	6,366	8,578	6,766	1,695	5,576	6,949
Provision for income taxes	(2,331)	(2,274)	(2,195)	(3,065)	(2,336)	(864)	(1,829)	(2,349)
Net Income	\$ 4,338	\$ 4,353	\$ 4,171	\$ 5,513	\$ 4,430	\$ 831	\$ 3,747	\$ 4,600
Net income attributable to noncontrolling interests	\$ 119	\$ 122	\$ 133	\$ 122	\$ 120	\$ 129	\$ 127	\$ 105
Net income attributable to Verizon	4,219	4,231	4,038	5,391	4,310	702	3,620	4,495
Net Income	\$ 4,338	\$ 4,353	\$ 4,171	\$ 5,513	\$ 4,430	\$ 831	\$ 3,747	\$ 4,600
Basic Earnings per Common Share								
Net Income attributable to Verizon	\$ 1.03	\$ 1.04	\$.99	\$ 1.32	\$ 1.06	\$.17	\$.89	\$ 1.10
Weighted average number of common shares (in millions)	4,116	4,079	4,072	4,076	4,080	4,079	4,079	4,081
Diluted Earnings per Common Share ⁽¹⁾								
Net Income attributable to Verizon	\$ 1.02	\$ 1.04	\$.99	\$ 1.32	\$ 1.06	\$.17	\$.89	\$ 1.10
Weighted average number of common shares- assuming dilution (in millions)	4,121	4,085	4,078	4,083	4,085	4,085	4,086	4,087

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, which represents the only potential dilution.

EPS may not add due to rounding.

Non-Operational & Other Items

Unaudited	(Pre-tax dollars in millions)		
	2014	2015	2016
Severance, Pension & Benefit Charges/(Credits)			
Operating expenses	\$ 7,507	\$ (2,256)	\$ 2,923
Gain on Spectrum License Transactions			
Selling, general & administrative expense	\$ (707)	\$ (254)	\$ (142)
Early Debt Redemption and Other Costs			
Cost of services and sales	\$ 27	\$ -	
Selling, general & administrative expense	307	-	
Other income, net	1,461	-	1,822
Gain on Sale of Omnitel Interest			
Equity in earnings of unconsolidated businesses	\$ (1,924)	\$ -	\$ -
Wireless Transaction Costs			
Other income and (expense), net	\$ (4)	\$ -	\$ -
Interest expense	415	-	-
Gain on Sale of Divested Businesses			
Selling, general & administrative expense	-	-	-
Impact of Divested Businesses			
Revenues	\$ 5,625	\$ 5,280	\$ 1,280
Cost of services and sales	2,004	1,852	482
Selling, general & administrative expense	574	522	137
Depreciation and amortization	1,026	88	-
Total Operating Expenses	\$ 3,604	\$ 2,462	\$ 619

Non-Operational & Other Items

(Pre-tax dollars in millions)

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Severance, Pension & Benefit Charges/(Credits)								
Operating expenses	\$ -	\$ -	\$ 342	\$ (2,598)	\$ 165	\$ 3,550	\$ 797	\$ (1,589)
Gain on Spectrum License Transactions								
Selling, general & administrative expense	\$ -	\$ -	\$ -	\$ (254)	\$ (142)	\$ -	\$ -	\$ -
Early Debt Redemption and Other Costs								
Other income, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,822	\$ -	\$ -
Gain on Sale of Divested Businesses								
Selling, general & administrative expense	-	-	-	-	-	(1,007)	-	-
Impact of Divested Businesses								
Revenues	\$ 1,342	\$ 1,327	\$ 1,307	\$ 1,304	\$ 1,280	\$ -	\$ -	\$ -
Cost of services and sales	457	451	466	478	482	-	-	-
Selling, general & administrative expense	146	135	124	117	137	-	-	-
Depreciation and amortization	88	-	-	-	-	-	-	-
Total Operating Expenses	\$ 691	\$ 586	\$ 590	\$ 595	\$ 619	\$ -	\$ -	\$ -

Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	12/31/14	12/31/15	12/31/2016
Assets			
Current assets			
Cash and cash equivalents	\$ 10,598	\$ 4,470	\$ 2,880
Short-term investments	555	350	-
Accounts receivable, net	13,993	13,457	17,513
Inventories	1,153	1,252	1,202
Assets held for sale	552	792	882
Prepaid expenses and other	2,685	2,034	3,918
Total current assets	29,536	22,355	26,395
Plant, property and equipment	230,508	220,163	232,215
Less accumulated depreciation	140,561	136,622	147,464
	89,947	83,541	84,751
Investments in unconsolidated businesses	802	796	1,110
Wireless licenses	75,341	86,575	86,673
Goodwill	24,639	25,331	27,205
Other intangible assets, net	5,359	7,592	8,897
Non-current assets held for sale	-	10,267	613
Deposit for wireless licenses	921	-	-
Other assets	5,564	7,718	8,536
Total Assets	\$ 232,109	\$ 244,175	\$ 244,180
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 2,735	\$ 6,489	\$ 2,645
Accounts payable and accrued liabilities	16,680	19,362	19,593
Liabilities related to assets held for sale	-	463	24
Other	8,572	8,738	8,078
Total current liabilities	27,987	35,052	30,340
Long-term debt	110,029	103,240	105,433
Employee benefit obligations	33,280	29,957	26,166
Deferred income taxes	41,563	45,484	45,964
Non-current liabilities related to assets held for sale	-	959	6
Other liabilities	5,574	11,641	12,239
Equity			
Common stock	424	424	424
Contributed capital	11,155	11,196	11,182
Reinvested earnings	2,447	11,246	15,059
Accumulated other comprehensive income	1,111	550	2,673
Common stock in treasury, at cost	(3,263)	(7,416)	(7,263)
Deferred compensation - employee stock ownership plans and other	424	428	449
Noncontrolling interests	1,378	1,414	1,508
Total Equity	13,676	17,842	24,032
Total Liabilities and Equity	\$ 232,109	\$ 244,175	\$ 244,180

Verizon - Selected Financial and Operating Statistics

Unaudited	12/31/14	12/31/15	12/31/16
Total debt (\$M)	\$ 112,764	\$ 109,729	\$ 108,078
Net debt (\$M)	\$ 102,166	\$ 105,259	\$ 105,198
Net debt / Adjusted EBITDA ⁽¹⁾	2.5x	2.4x	2.4x
Common shares outstanding end of period (M)	4,155	4,073	4,077
Total employees ('000)	177.3	177.7	160.9
Cash dividends declared per common share	\$ 2.160	\$ 2.230	\$ 2.285

(1) Adjusted EBITDA excludes the effects of non-operational items and Divested Businesses.

Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/2016	9/30/2016	12/31/2016
Assets								
Current assets								
Cash and cash equivalents	\$ 4,386	\$ 3,008	\$ 3,875	\$ 4,470	\$ 5,846	\$ 2,857	\$ 6,441	\$ 2,880
Short-term investments	547	309	306	350	-	-	-	-
Accounts receivable, net	12,698	13,444	13,105	13,457	12,485	13,294	14,832	17,513
Inventories	1,076	1,149	1,319	1,252	1,142	931	1,318	1,202
Assets held for sale	893	774	895	792	720	317	-	882
Prepaid expenses and other	3,171	2,757	2,236	2,034	3,498	3,445	3,030	3,918
Total current assets	22,771	21,441	21,736	22,355	23,691	20,844	25,621	26,395
Plant, property and equipment	210,389	213,661	216,674	220,163	222,669	225,756	228,909	232,215
Less accumulated depreciation	128,747	131,129	134,112	136,622	139,658	142,584	145,495	147,464
	81,642	82,532	82,562	83,541	83,011	83,172	83,414	84,751
Investments in unconsolidated businesses	762	794	779	796	821	822	1,119	1,110
Wireless licenses	75,693	86,321	86,331	86,575	86,830	86,981	87,407	86,673
Goodwill	23,303	25,429	25,124	25,331	25,364	25,417	25,970	27,205
Other intangible assets, net	5,357	7,507	7,717	7,592	7,456	7,399	7,692	8,897
Non-current assets held for sale	9,580	9,647	10,117	10,267	10,432	-	-	613
Deposit for wireless licenses	10,430	-	-	-	-	-	-	-
Other assets	5,680	6,519	7,171	7,718	6,982	7,235	8,275	8,536
Total Assets	\$ 235,218	\$ 240,190	\$ 241,537	\$ 244,175	\$ 244,587	\$ 231,870	\$ 239,498	\$ 244,180
Liabilities and Equity								
Current liabilities								
Debt maturing within one year	\$ 4,439	\$ 4,206	\$ 7,264	\$ 6,489	\$ 6,265	\$ 6,803	\$ 3,852	\$ 2,645
Accounts payable and accrued liabilities	15,189	16,953	17,721	19,362	18,118	19,090	18,002	19,593
Liabilities related to assets held for sale	572	457	461	463	452	-	-	24
Other	8,410	8,962	8,868	8,738	8,477	8,515	8,444	8,078
Total current liabilities	28,610	30,578	34,314	35,052	33,312	34,408	30,298	30,340
Long-term debt	108,452	108,978	104,583	103,240	103,615	92,922	102,739	105,433
Employee benefit obligations	33,010	32,711	32,962	29,957	29,665	28,059	28,285	26,166
Deferred income taxes	42,358	42,936	43,015	45,484	45,568	43,825	44,617	45,964
Non-current liabilities related to assets held for sale	943	942	940	959	974	-	-	6
Other liabilities	11,086	11,171	11,181	11,641	11,350	11,912	11,576	12,239
Equity								
Common stock	424	424	424	424	424	424	424	424
Contributed capital	10,391	11,167	11,184	11,196	11,191	11,192	11,179	11,182
Reinvested earnings (Accumulated deficit)	4,422	6,418	8,156	11,246	13,253	11,652	12,918	15,059
Accumulated other comprehensive income	916	821	600	550	459	2,847	2,758	2,673
Common stock in treasury, at cost	(7,093)	(7,741)	(7,604)	(7,416)	(7,279)	(7,279)	(7,264)	(7,263)
Deferred compensation - employee stock ownership plans and other	279	326	378	428	593	408	445	449
Noncontrolling interests	1,420	1,459	1,404	1,414	1,462	1,500	1,523	1,508
Total Equity	10,759	12,874	14,542	17,842	20,103	20,744	21,983	24,032
Total Liabilities and Equity	\$ 235,218	\$ 240,190	\$ 241,537	\$ 244,175	\$ 244,587	\$ 231,870	\$ 239,498	\$ 244,180

Verizon - Selected Financial and Operating Statistics

Unaudited	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Total debt (\$M)	\$ 112,891	\$ 113,184	\$ 111,847	\$ 109,729	\$ 109,880	\$ 99,725	\$ 106,591	\$ 108,078
Net debt (\$M)	\$ 108,505	\$ 110,176	\$ 107,972	\$ 105,259	\$ 104,034	\$ 96,868	\$ 100,150	\$ 105,198
Net debt / Adjusted EBITDA ⁽¹⁾		2.6x	2.5x	2.4x	2.4x	2.2x	2.3x	2.4x
Common shares outstanding end of period (M)	4,078	4,066	4,069	4,073	4,076	4,076	4,077	4,077
Total employees ('000)	176.2	178.5	177.9	177.7	173.3	162.7	162.0	160.9
Cash dividends declared per common share	\$.550	\$.550	\$.565	\$.565	\$.565	\$.565	\$.5775	\$.5775

(1) Adjusted EBITDA excludes the effects of non-operational items and Divested Businesses.

Condensed Consolidated Statements of Cash Flows

	(dollars in millions)		
Unaudited	12 Months Ended 12/31/14	12 Months Ended 12/31/15	12 Months Ended 12/31/2016
Cash Flows From Operating Activities			
Net Income	\$ 11,956	\$ 18,375	\$ 13,608
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	16,533	16,017	15,928
Employee retirement benefits	8,130	(1,747)	2,705
Deferred income taxes	(92)	3,516	(1,063)
Provision for uncollectible accounts	1,095	1,610	1,420
Equity in (earnings) losses of unconsolidated businesses, net of dividends received	(1,743)	127	138
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(2,160)	2,443	(5,636)
Other, net	(3,088)	(1,411)	(4,385)
Net cash provided by operating activities	30,631	38,930	22,715
Cash Flows From Investing Activities			
Capital expenditures (including capitalized software)	(17,191)	(17,775)	(17,059)
Acquisitions of businesses, net of cash acquired	(182)	(3,545)	(3,765)
Acquisitions of wireless licenses	(354)	(9,942)	(534)
Proceeds from dispositions of wireless licenses	2,367	-	-
Proceeds from dispositions of businesses	120	48	9,882
Other, net	(616)	1,171	493
Net cash used in investing activities	(15,856)	(30,043)	(10,983)
Cash Flows From Financing Activities			
Proceeds from long-term borrowings	30,967	6,667	12,964
Proceeds from asset-backed long-term borrowings	-	-	4,986
Repayments of long-term borrowings and capital lease obligations	(17,669)	(9,340)	(19,159)
Decrease in short-term obligations, excluding current maturities	(475)	(344)	(149)
Dividends paid	(7,803)	(8,538)	(9,262)
Proceeds from sale of common stock	34	40	3
Purchase of common stock for treasury	-	(5,134)	-
Acquisition of noncontrolling interest	(58,886)	-	(9)
Other, net	(3,873)	1,634	(2,696)
Net cash used in financing activities	(57,705)	(15,015)	(13,322)
Decrease in cash and cash equivalents	(42,930)	(6,128)	(1,590)
Cash and cash equivalents, beginning of period	53,528	10,598	4,470
Cash and cash equivalents, end of period	\$ 10,598	\$ 4,470	\$ 2,880

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	3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/2016	9/30/2016	12/31/2016
Cash Flows From Operating Activities								
Net Income	\$ 4,338	\$ 8,691	\$ 12,862	\$ 18,375	\$ 4,430	\$ 5,261	\$ 9,008	\$ 13,608
Adjustments to reconcile net income to net cash provided by operating activities:								
Depreciation and amortization expense	3,989	7,969	11,978	16,017	4,017	7,999	11,941	15,928
Employee retirement benefits	284	561	1,184	(1,747)	356	4,021	4,531	2,705
Deferred income taxes	823	826	890	3,516	167	(3,085)	(2,331)	(1,063)
Provision for uncollectible accounts	383	744	1,136	1,610	353	651	963	1,420
Equity in losses of unconsolidated businesses, net of dividends received	44	72	98	127	29	58	94	138
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(888)	416	1,443	2,443	(1,162)	(1,067)	(4,010)	(5,636)
Other, net	1,196	(373)	(1,165)	(1,411)	(771)	(1,008)	(2,567)	(4,385)
Net cash provided by operating activities	10,169	18,906	28,426	38,930	7,419	12,830	17,629	22,715
Cash Flows From Investing Activities								
Capital expenditures (including capitalized software)	(3,665)	(8,153)	(12,540)	(17,775)	(3,387)	(7,273)	(11,398)	(17,059)
Acquisitions of businesses, net of cash acquired	(2)	(3,225)	(3,205)	(3,545)	(161)	(178)	(963)	(3,765)
Acquisitions of wireless licenses	(9,555)	(9,677)	(9,811)	(9,942)	(131)	(282)	(410)	(534)
Proceeds from dispositions of wireless licenses	-	-	-	-	-	-	-	-
Proceeds from dispositions of businesses	-	-	-	48	-	9,882	9,882	9,882
Other, net	46	884	960	1,171	243	504	350	493
Net cash provided by (used in) investing activities	(13,176)	(20,171)	(24,596)	(30,043)	(3,436)	2,653	(2,539)	(10,983)
Cash Flows From Financing Activities								
Proceeds from long-term borrowings	6,497	6,497	6,497	6,667	-	-	8,152	12,964
Proceeds from asset-backed long-term borrowings	-	-	-	-	-	-	2,594	4,986
Repayments of long-term borrowings and capital lease obligations	(5,576)	(5,797)	(7,168)	(9,340)	(376)	(11,300)	(14,510)	(19,159)
Increase (decrease) in short-term obligations, excluding current maturities	482	(106)	(305)	(344)	(40)	610	(120)	(149)
Dividends paid	(2,153)	(4,266)	(6,373)	(8,538)	(2,302)	(4,605)	(6,908)	(9,262)
Proceeds from sale of common stock	-	-	31	40	3	3	3	3
Purchase of common stock for treasury	(5,000)	(5,074)	(5,134)	(5,134)	-	-	-	-
Acquisition of noncontrolling interest	-	-	-	-	-	-	-	(9)
Other, net	2,545	2,421	1,899	1,634	108	(1,804)	(2,330)	(2,696)
Net cash used in financing activities	(3,205)	(6,325)	(10,553)	(15,015)	(2,607)	(17,096)	(13,119)	(13,322)
Increase (decrease) in cash and cash equivalents	(6,212)	(7,590)	(6,723)	(6,128)	1,376	(1,613)	1,971	(1,590)
Cash and cash equivalents, beginning of period	10,598	10,598	10,598	10,598	4,470	4,470	4,470	4,470
Cash and cash equivalents, end of period	\$ 4,386	\$ 3,008	\$ 3,875	\$ 4,470	\$ 5,846	\$ 2,857	\$ 6,441	\$ 2,880

verizon^v

Wireless

Wireless - Selected Financial Results

(dollars in millions)

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating Revenues								
Service	\$ 17,914	\$ 17,689	\$ 17,598	\$ 17,195	\$ 16,809	\$ 16,741	\$ 16,684	\$ 16,346
Equipment	3,373	3,861	4,292	5,398	3,954	3,704	4,124	5,733
Other	1,041	1,063	1,115	1,141	1,241	1,259	1,293	1,298
Total Operating Revenues	22,328	22,613	23,005	23,734	22,004	21,704	22,101	23,377
Operating Expenses								
Cost of services	1,851	1,948	2,010	1,994	1,942	1,984	2,006	2,056
Cost of equipment	5,108	5,455	5,716	6,840	4,998	4,644	5,240	7,356
Selling, general & administrative expense	5,369	5,289	5,351	5,796	4,891	4,777	4,921	5,335
Depreciation and amortization expense	2,190	2,225	2,260	2,305	2,293	2,282	2,287	2,321
Total Operating Expenses	14,518	14,917	15,337	16,935	14,124	13,687	14,454	17,068
Operating Income	\$ 7,810	\$ 7,696	\$ 7,668	\$ 6,799	\$ 7,880	\$ 8,017	\$ 7,647	\$ 6,309
Operating Income Margin	35.0%	34.0%	33.3%	28.6%	35.8%	36.9%	34.6%	27.0%
Segment EBITDA	\$ 10,000	\$ 9,921	\$ 9,928	\$ 9,104	\$ 10,173	\$ 10,299	\$ 9,934	\$ 8,630
Segment EBITDA Margin	44.8%	43.9%	43.2%	38.4%	46.2%	47.5%	44.9%	36.9%

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.

Wireless - Selected Operating Statistics

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Connections ('000)								
Retail postpaid	102,637	103,731	105,023	106,528	107,171	107,780	108,220	108,796
Retail prepaid	5,945	5,817	5,737	5,580	5,402	5,374	5,456	5,447
Total retail	108,582	109,548	110,760	112,108	112,573	113,154	113,676	114,243
Net Add Detail ('000) ⁽¹⁾								
Retail postpaid	565	1,134	1,289	1,519	640	615	442	591
Retail prepaid	(188)	(126)	(80)	(157)	(177)	(30)	83	(9)
Total retail	377	1,008	1,209	1,362	463	585	525	582
Account Statistics								
Retail postpaid accounts ('000)	35,516	35,560	35,677	35,736	35,720	35,637	35,530	35,410
Retail postpaid connections per account	2.89	2.92	2.94	2.98	3.00	3.02	3.05	3.07
Retail postpaid ARPA ⁽³⁾	\$ 156.14	\$ 153.73	\$ 152.38	\$ 148.30	\$ 145.34	\$ 145.09	\$ 144.94	\$ 141.89
Retail postpaid I-ARPA ⁽⁴⁾	\$ 162.78	\$ 163.01	\$ 164.31	\$ 164.40	\$ 165.03	\$ 167.18	\$ 169.49	\$ 169.10
Churn Detail								
Retail postpaid	1.03%	0.90%	0.93%	0.96%	0.96%	0.94%	1.04%	1.10%
Retail	1.33%	1.18%	1.21%	1.23%	1.23%	1.19%	1.28%	1.34%
Retail Postpaid Connection Statistics								
Total Smartphone postpaid % of phones activated	91.4%	91.7%	91.3%	93.7%	92.5%	92.1%	93.1%	95.2%
Total Smartphone postpaid phone base ⁽²⁾	79.9%	81.2%	82.4%	83.7%	84.7%	85.5%	86.3%	87.3%
Total Internet postpaid base ⁽²⁾	14.8%	15.4%	16.0%	16.8%	17.3%	17.7%	18.1%	18.3%
4G LTE devices as % of retail postpaid connections	69.9%	73.3%	76.2%	79.2%	81.1%	82.5%	83.7%	85.0%
Other Operating Statistics								
Capital expenditures (\$M)	\$ 2,419	\$ 3,126	\$ 2,921	\$ 3,259	\$ 2,190	\$ 2,815	\$ 2,771	\$ 3,464

Footnotes:

(1) Connection net additions exclude acquisitions and adjustments.

(2) Statistics presented as of end of period

(3) Retail postpaid ARPA - average service revenue per account from retail postpaid accounts.

(4) Retail postpaid I-ARPA - average service revenue per account from retail postpaid accounts plus recurring device installment billings.

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.

verizon[✓]

Wireline

Wireline - Selected Financial Results

(dollars in millions)

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating Revenues								
Consumer retail	\$ 3,128	\$ 3,174	\$ 3,168	\$ 3,226	\$ 3,180	\$ 3,165	\$ 3,174	\$ 3,232
Small business	445	441	434	424	422	408	411	410
Mass Markets	3,573	3,615	3,602	3,650	3,602	3,573	3,585	3,642
Global Enterprise	3,047	3,007	2,988	3,008	2,956	2,907	2,886	2,872
Global Wholesale	1,339	1,310	1,289	1,325	1,283	1,256	1,239	1,225
Other	91	81	88	81	82	87	77	73
Total Operating Revenues	8,050	8,013	7,967	8,064	7,923	7,823	7,787	7,812
Operating Expenses								
Cost of services	4,785	4,704	4,695	4,632	4,644	5,107	4,440	4,428
Selling, general & administrative expense	1,838	1,813	1,770	1,835	1,770	1,617	1,693	1,505
Depreciation and amortization expense	1,647	1,695	1,611	1,590	1,576	1,562	1,498	1,465
Total Operating Expenses	8,270	8,212	8,076	8,057	7,990	8,286	7,631	7,398
Operating Income (Loss)	(220)	(199)	(109)	7	(67)	(463)	156	414
Operating Income (Loss) Margin	(2.7)%	(2.5)%	(1.4)%	0.1%	(0.8)%	(5.9)%	2.0%	5.3%
Segment EBITDA	\$ 1,427	\$ 1,496	\$ 1,502	\$ 1,597	\$ 1,509	\$ 1,099	\$ 1,654	\$ 1,879
Segment EBITDA Margin	17.7%	18.7%	18.9%	19.8%	19.0%	14.0%	21.2%	24.1%

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.

Wireline - Selected Operating Statistics

Unaudited	2015				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Connections ('000)								
Fios Video Subscribers	4,535	4,565	4,610	4,635	4,678	4,637	4,673	4,694
Fios Internet Subscribers	5,178	5,240	5,336	5,418	5,508	5,495	5,585	5,653
Fios Digital Voice residence connections	3,784	3,788	3,829	3,872	3,917	3,879	3,882	3,895
Fios Digital connections	13,497	13,593	13,775	13,925	14,103	14,011	14,140	14,242
HSI	1,891	1,820	1,738	1,667	1,589	1,519	1,453	1,385
Total Broadband connections	7,069	7,060	7,074	7,085	7,097	7,014	7,038	7,038
Primary residence switched access connections	4,264	4,113	3,951	3,799	3,643	3,501	3,359	3,230
Primary residence connections	8,048	7,901	7,780	7,671	7,560	7,380	7,241	7,125
Total retail residence voice connections	8,368	8,209	8,072	7,949	7,824	7,634	7,482	7,355
Total voice connections	15,897	15,586	15,324	15,035	14,781	14,476	14,194	13,939
Net Add Detail ('000)								
Fios Video Subscribers	82	30	45	25	43	(41)	36	21
Fios Internet Subscribers	110	62	96	82	90	(13)	90	68
Fios Digital Voice residence connections	57	4	41	43	45	(38)	3	13
Fios Digital connections	249	96	182	150	178	(92)	129	102
HSI	(65)	(71)	(82)	(71)	(78)	(70)	(66)	(68)
Total Broadband connections	45	(9)	14	11	12	(83)	24	-
Primary residence switched access connections	(151)	(151)	(162)	(152)	(156)	(142)	(142)	(129)
Primary residence connections	(94)	(147)	(121)	(109)	(111)	(180)	(139)	(116)
Total retail residence voice connections	(107)	(159)	(137)	(123)	(125)	(190)	(152)	(127)
Total voice connections	(243)	(311)	(262)	(289)	(254)	(305)	(282)	(255)
Revenue Statistics								
Fios revenues (\$M)	\$ 2,602	\$ 2,678	\$ 2,689	\$ 2,770	\$ 2,761	\$ 2,776	\$ 2,807	\$ 2,892
Other Operating Statistics								
Capital expenditures (\$M)	\$ 1,077	\$ 1,134	\$ 1,202	\$ 1,636	\$ 1,006	\$ 814	\$ 1,036	\$ 1,648
Wireline employees (K)	65.3	62.8	61.8	61.0	59.5	59.3	59.2	58.9
Fios Video Open for Sale (K)	12,681	12,863	13,024	13,196	13,366	13,400	13,529	13,693
Fios Video penetration	35.8%	35.5%	35.4%	35.1%	35.0%	34.6%	34.5%	34.3%
Fios Internet Open for Sale (K)	12,970	13,154	13,317	13,491	13,661	13,696	13,825	13,982
Fios Internet penetration	39.9%	39.8%	40.1%	40.2%	40.3%	40.1%	40.4%	40.4%

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.



Non-GAAP Reconciliations

As of December 31, 2016

Definitions – Non-GAAP Measures

Non-GAAP Measures

Verizon's financial information was prepared in conformity with generally accepted accounting principles (GAAP) as well as on a non-GAAP basis. It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP 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. We believe that non-GAAP measures provide relevant and useful information, which is used by management, investors and other users of our financial information in assessing both consolidated and segment performance. The non-GAAP financial information presented may be determined or calculated differently by other companies.

Consolidated Operating Revenues Excluding Divested Businesses and AOL

Verizon Consolidated Operating Revenues Excluding Divested Businesses and AOL is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in evaluating our revenue growth and trends on a comparable basis since the sale of local landline businesses in California, Florida and Texas (Divested Businesses) was completed on April 1, 2016 and AOL was acquired on June 23, 2015. Consolidated Operating Revenues Excluding Divested Businesses and AOL is calculated by subtracting operating revenues from the Divested Businesses and operating revenues from AOL from consolidated operating revenues.

Operating Revenues from Digital Media Business net of Traffic Acquisition Costs

Operating Revenues from Digital Media Business net of Traffic Acquisition Costs (TAC), is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in evaluating the financial performance of our business. TAC consists of costs incurred through arrangements in which we acquire third-party online advertising inventory for resale and arrangements whereby partners direct traffic to our digital media business. We believe that this measure enhances the comparability of these revenues to those of our competitors. However, comparable activity may be measured differently by other companies and our revenue sources and TAC may be different than those of our competitors in this market segment. Therefore, our Operating Revenues from Digital Media Business net of TAC may not be directly comparable to those of our competitors. Operating Revenues from Digital Media Business net of TAC is calculated by subtracting TAC from operating revenues from our digital media business, which includes intersegment revenues.

EBITDA and EBITDA Margin

Verizon consolidated earnings before interest, taxes, depreciation and amortization (Consolidated EBITDA), Segment EBITDA and Segment EBITDA Margin are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating operating profitability on a more variable cost basis as they exclude depreciation and amortization expense related primarily to capital expenditures and acquisitions that occurred in prior periods, as well as in evaluating operating performance in relation to Verizon's competitors.

Consolidated EBITDA is calculated by adding back interest, taxes, depreciation and amortization expense, equity in losses of unconsolidated businesses and other (income) and expense, net to net income.

Segment EBITDA is calculated by adding back depreciation and amortization expense to segment operating income (loss). Segment EBITDA Margin is calculated by dividing Segment EBITDA by segment total operating revenues.

Consolidated EBITDA Excluding Non-operational Items and Consolidated EBITDA Margin Excluding Non-operational Items

Verizon Consolidated EBITDA Excluding Non-operational Items is a non-GAAP financial measure that we believe provides relevant and useful information to management, 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. Consolidated EBITDA Excluding Non-operational Items is calculated by excluding from Consolidated EBITDA the effect of non-operational items such as actuarial gains or losses arising from the re-measurements of pension and other postretirement benefits, severance costs, gain on sale of Divested Businesses and gain on spectrum license transactions. Actuarial gains or losses as a result of the re-measurements of pension and other postretirement benefits are included in our operating expenses and are measured based on projected discount rates and estimated returns on plan assets. Such estimates are updated at least annually at the end of the fiscal year to reflect actual discount rates and returns on plan assets or more frequently if significant events arise which require an interim re-measurement. We believe the exclusion of these re-measurement gains or losses enables management, investors and other users of our financial information to assess our sequential and year-over-year performance on a more comparable basis. Consolidated EBITDA Margin Excluding Non-operational Items is calculated by dividing Consolidated EBITDA Excluding Non-operational Items by consolidated operating revenues.

Consolidated Adjusted EBITDA

Verizon Consolidated Adjusted EBITDA is a non-GAAP financial measure that we believe provides relevant and useful information to management, 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. We believe Consolidated Adjusted EBITDA is widely used by investors to compare a company's operating performance to its competitors by minimizing impacts caused by differences in capital structure, taxes and depreciation policies. Further, the exclusion of non-operational items and impact of Divested Businesses enable comparability to prior period performance and trend analysis. Consolidated Adjusted EBITDA is also used by rating agencies, lenders and other parties to evaluate our creditworthiness. Consolidated Adjusted EBITDA is calculated by excluding the impact of Divested Businesses from Consolidated EBITDA Excluding Non-operational Items.

Free Cash Flow

Free cash flow is a non-GAAP financial measure that reflects an additional way of viewing our liquidity that, when viewed with our GAAP results, provides a more complete understanding of factors and trends affecting our cash flows. We believe it is a more conservative measure of cash flow since purchases of fixed assets are necessary for ongoing operations. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments made on capital lease obligations or cash payments for business acquisitions. Therefore, we believe it is important to view free cash flow as a complement to our entire consolidated statements of cash flows.

Free cash flow is calculated by subtracting capital expenditures from net cash provided by operating activities.

Net Debt and Net Debt to Consolidated Adjusted EBITDA Ratio

Net Debt and Net Debt to Consolidated Adjusted EBITDA Ratio are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating Verizon's ability to service its debt.

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 Net Debt to Consolidated Adjusted EBITDA Ratio, Consolidated Adjusted EBITDA is calculated for the last twelve months.

Adjusted Earnings per Common Share

Adjusted Earnings per Common Share (Adjusted EPS) is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in evaluating our operating results and understanding our operating trends without the effect of non-operational items. We believe that excluding non-operational items provides more meaningful comparisons of our financial results from period to period.

Adjusted EPS is calculated by excluding the effect of non-operational items such as actuarial gains or losses arising from the remeasurement of pension and other postretirement benefits, early debt redemption costs, severance costs, gain on sale of Divested Businesses and gain on spectrum license transactions from the calculation of reported EPS.

Global Enterprise Constant Currency Growth Rate

We evaluate our results of operations for Global Enterprise on both an as reported and a constant currency basis. The constant currency revenue growth rate, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We believe providing constant currency information provides valuable supplemental information regarding our results of operations, consistent with how we evaluate our performance. We calculate constant currency percentages by converting our current-period local currency financial results using the prior period exchange rates and comparing these adjusted amounts to our prior period reported results.

Adjusted Cash Expense

Adjusted Cash Expense is a non-GAAP financial measure that is used by management in evaluating our operating expenses on a more variable cost basis as it excludes depreciation and amortization expense, the effect of non-operational items and expenses related to the Divested Businesses.

Adjusted Cash Expense is calculated by excluding depreciation and amortization expense, the effect of non-operational items such as actuarial gains or losses arising from the remeasurement of pension and other postretirement benefits, severance costs, gain on sale of Divested Businesses, gain on spectrum license transactions and operating expenses from the Divested Businesses from Total Operating Expense.

Non-GAAP Reconciliations - Consolidated

		(dollars in millions)	
		12 Months Ended 12/31/15	12 Months Ended 12/31/16
Unaudited			
Consolidated Operating Revenues Excluding Divested Businesses and AOL			
Consolidated Operating Revenues		\$ 131,620	\$ 125,980
Less: Operating revenues from Divested Businesses		5,280	1,280
Less: Operating revenues from AOL		1,471	2,880
Consolidated Operating Revenues Excluding Divested Businesses and AOL		\$ 124,869	\$ 121,820
Year over Year Change			(2.4)%

		(dollars in millions)		
		3 Months Ended 12/31/15	3 Months Ended 9/30/16	3 Months Ended 12/31/16
Unaudited				
Operating Revenues from Digital Media Business net of Traffic Acquisition Costs (TAC)				
Operating Revenues from Digital Media Business		\$ 949	\$ 790	\$ 886
Less: TAC		390	304	354
Operating Revenues from Digital Media Business net of TAC		\$ 559	\$ 486	\$ 532
Year over Year Change				(4.8)%
Sequential Change				9.5%

		(dollars in millions)							
		3 Months Ended 3/31/15	3 Months Ended 6/30/15	3 Months Ended 9/30/15	3 Months Ended 12/31/15	3 Months Ended 3/31/16	3 Months Ended 6/30/16	3 Months Ended 9/30/16	3 Months Ended 12/31/16
Unaudited									
Consolidated EBITDA, Consolidated Adjusted EBITDA and Consolidated EBITDA Margin Excluding Non-Operational Items									
Consolidated Net Income (loss)		\$ 4,338	\$ 4,353	\$ 4,171	\$ 5,513	\$ 4,430	\$ 831	\$ 3,747	\$ 4,600
Add/subtract:									
Provision for income taxes		2,331	2,274	2,195	3,065	2,336	864	1,829	2,349
Interest expense		1,332	1,208	1,202	1,178	1,188	1,013	1,038	1,137
Other (income) and expense, net Equity in losses of unconsolidated businesses		(75)	(32)	(51)	(28)	(32)	1,826	(97)	(98)
		34	18	18	16	20	20	23	35
Operating Income		7,960	7,821	7,535	9,744	7,942	4,554	6,540	8,023
Add: Depreciation and amortization expense		3,989	3,980	4,009	4,039	4,017	3,982	3,942	3,987
Consolidated EBITDA		\$ 11,949	\$ 11,801	\$ 11,544	\$ 13,783	\$ 11,959	\$ 8,536	\$ 10,482	\$ 12,010
Add/subtract non-operational items (before tax):									
Severance, pension and benefit charges/(credits)		-	-	342	(2,598)	165	3,550	797	(1,589)
Gain on spectrum license transactions		-	-	-	(254)	(142)	-	-	-
Gain on sale of Divested Businesses		-	-	-	-	-	(1,007)	-	-
Consolidated EBITDA Excluding Non-Operational Items		11,949	11,801	11,886	10,931	11,982	11,079	11,279	10,421
Less: Divested Businesses		(739)	(741)	(717)	(709)	(661)	-	-	-
Consolidated Adjusted EBITDA		\$ 11,210	\$ 11,060	\$ 11,169	\$ 10,222	\$ 11,321	\$ 11,079	\$ 11,279	\$ 10,421
Consolidated Net Income Margin									14.2%
Consolidated EBITDA Margin Excluding Non-Operational Items - YTD									35.5%

		(dollars in millions)							
		3/31/15	6/30/15	9/30/15	12/31/15	3/31/16	6/30/16	9/30/16	12/31/16
Unaudited									
Net Debt									
Debt maturing within one year		\$ 4,439	\$ 4,206	\$ 7,264	\$ 6,489	\$ 6,265	\$ 6,803	\$ 3,852	\$ 2,645
Long-term debt		108,452	108,978	104,583	103,240	103,615	92,922	102,739	105,433
Total Debt		112,891	113,184	111,847	109,729	109,880	99,725	106,591	108,078
Less: Cash and cash equivalents		4,386	3,008	3,875	4,470	5,846	2,857	6,441	2,880
Net Debt		\$ 108,505	\$ 110,176	\$ 107,972	\$ 105,259	\$ 104,034	\$ 96,868	\$ 100,150	\$ 105,198
Net Debt to Consolidated Adjusted EBITDA Ratio					2.4x	2.4x	2.2x	2.3x	2.4x

Non-GAAP Reconciliations - Consolidated

Adjusted Earnings Per Common Share (Adjusted EPS)

(dollars in millions except EPS)

Unaudited	3 Months Ended 12/31/15			3 Months Ended 12/31/16		
	Pre-tax	Tax	After-Tax	Pre-tax	Tax	After-Tax
EPS			\$ 1.32			\$ 1.10
Pension and benefit/(credits)	\$ (3,154)	\$ 1,191	\$ (1,963)	\$ (1,772)	\$ 672	\$ (1,100)
Severance costs	556	(209)	347	183	(68)	115
Gain on spectrum license transaction	(254)	96	(158)			
Total Non-Operational Items	\$ (2,852)	\$ 1,078	\$ (1,774)	\$ (1,589)	\$ 604	\$ (985)
Adjusted EPS⁽¹⁾			<u>\$ 0.89</u>			<u>\$ 0.86</u>
Year over Year Change						(3.4)%

Unaudited	12 Months Ended 12/31/15			12 Months Ended 12/31/16		
	Pre-tax	Tax	After-Tax	Pre-tax	Tax	After-Tax
EPS			\$ 4.37			\$ 3.21
Pension and benefit charges/(credits)	\$ (2,772)	\$ 1,047	\$ (1,725)	\$ 2,498	\$ (955)	\$ 1,543
Severance costs	516	(194)	322	425	(163)	262
Gain on spectrum license transactions	(254)	96	(158)	(142)	54	(88)
Gain on sale of Divested Businesses			-	(1,007)	868	(139)
Early debt redemption costs			-	1,822	(718)	1,104
Adjusted EPS⁽¹⁾	\$ (2,510)	\$ 949	\$ (1,561)	\$ 3,596	\$ (914)	\$ 2,682
			<u>\$ 3.99</u>			<u>\$ 3.87</u>
Year over Year Change						(3.0)%

(1) EPS may not add due to rounding

Global Enterprise Constant Currency Revenue Growth Rate

(dollars in millions)

Unaudited	Reported		Constant Currency	
	Revenues	Growth Rate	Revenues	Growth Rate
3 Months Ending December 31, 2016	\$ 2,872	(4.5)%	\$ 2,896	(3.7)%
12 Months Ending December 31, 2016	11,621	(3.6)%	11,672	(3.1)%

Free Cash Flow

(dollars in millions)

Unaudited	3 Months Ended 12/31/16	12 Months Ended 12/31/16
	Net cash provided by operating activities	\$ 5,086
Less Capital expenditures	5,661	17,059
Free Cash Flow	<u>\$ (575)</u>	<u>\$ 5,656</u>

Adjusted Cash Expense

(dollars in millions)

Unaudited	3 Months Ended 12/31/15	12 Months Ended 12/31/15	3 Months Ended 12/31/16	12 Months Ended 12/31/16
	Total Operating Expenses	\$ 24,510	\$ 98,560	\$ 24,317
Less Depreciation and amortization expense	4,039	16,017	3,987	15,928
Less Non-operational items (before tax):				
Pension and benefit charges/(credits)	(3,154)	(2,772)	(1,772)	2,498
Severance costs	556	516	183	425
Gain on spectrum license transactions	(254)	(254)	-	(142)
Gain on sale of Divested Businesses	-	-	-	(1,007)
Total Cash Expense	23,323	85,053	21,919	81,219
Less Operating expenses from Divested Businesses	595	2,374	-	619
Adjusted Cash Expense	<u>\$ 22,728</u>	<u>\$ 82,679</u>	<u>\$ 21,919</u>	<u>\$ 80,600</u>
Year over Year Change			(3.6)%	(2.5)%

Non-GAAP Reconciliations - Segments

Wireless

Unaudited	(dollars in millions)							
	3 Months Ended 3/31/15	3 Months Ended 6/30/15	3 Months Ended 9/30/15	3 Months Ended 12/31/15	3 Months Ended 3/31/16	3 Months Ended 6/30/16	3 Months Ended 9/30/16	3 Months Ended 12/31/16
Segment EBITDA and Segment EBITDA Margin								
Operating Income	\$ 7,810	\$ 7,696	\$ 7,668	\$ 6,799	\$ 7,880	\$ 8,017	\$ 7,647	\$ 6,309
Add: Depreciation and amortization expense	2,190	2,225	2,260	2,305	2,293	2,282	2,287	2,321
Segment EBITDA	\$ 10,000	\$ 9,921	\$ 9,928	\$ 9,104	\$ 10,173	\$ 10,299	\$ 9,934	\$ 8,630
Total operating revenues	\$ 22,328	\$ 22,613	\$ 23,005	\$ 23,734	\$ 22,004	\$ 21,704	\$ 22,101	\$ 23,377
Operating Income Margin	35.0%	34.0%	33.3%	28.6%	35.8%	36.9%	34.6%	27.0%
Segment EBITDA Margin	44.8%	43.9%	43.2%	38.4%	46.2%	47.5%	44.9%	36.9%

Wireline

Unaudited	(dollars in millions)							
	3 Months Ended 3/31/15	3 Months Ended 6/30/15	3 Months Ended 9/30/15	3 Months Ended 12/31/15	3 Months Ended 3/31/16	3 Months Ended 6/30/16	3 Months Ended 9/30/16	3 Months Ended 12/31/16
Segment EBITDA and Segment EBITDA Margin								
Operating Income (Loss)	\$ (220)	\$ (199)	\$ (109)	\$ 7	\$ (67)	\$ (463)	\$ 156	\$ 414
Add: Depreciation and amortization expense	1,647	1,695	1,611	1,590	1,576	1,562	1,498	1,465
Segment EBITDA	\$ 1,427	\$ 1,496	\$ 1,502	\$ 1,597	\$ 1,509	\$ 1,099	\$ 1,654	\$ 1,879
Total operating revenues	\$ 8,050	\$ 8,013	\$ 7,967	\$ 8,064	\$ 7,923	\$ 7,823	\$ 7,787	\$ 7,812
Operating Income (Loss) Margin	(2.7)%	(2.5)%	(1.4)%	0.1%	(0.8)%	(5.9)%	2.0%	5.3%
Segment EBITDA Margin	17.7%	18.7%	18.9%	19.8%	19.0%	14.0%	21.2%	24.1%