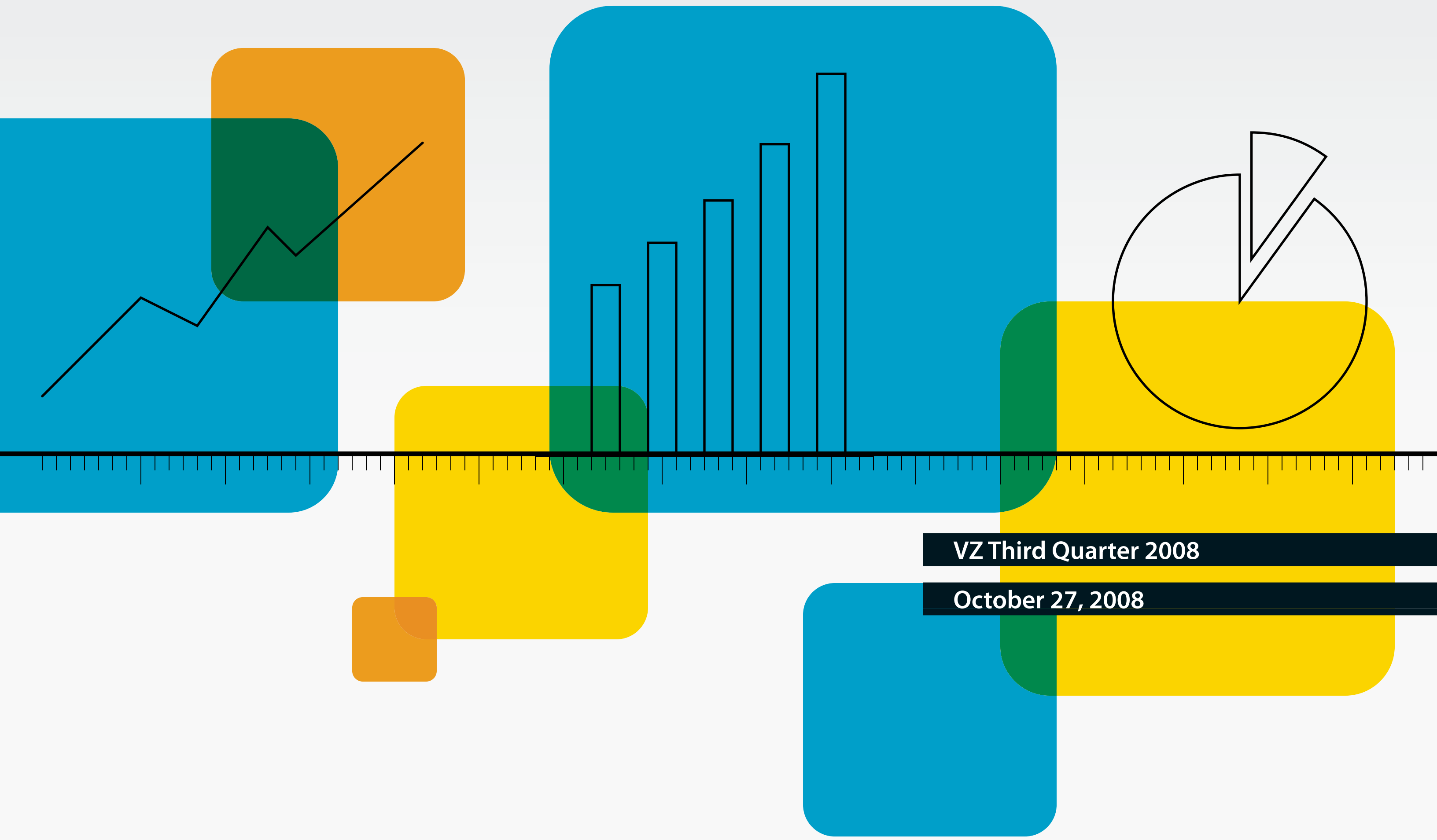
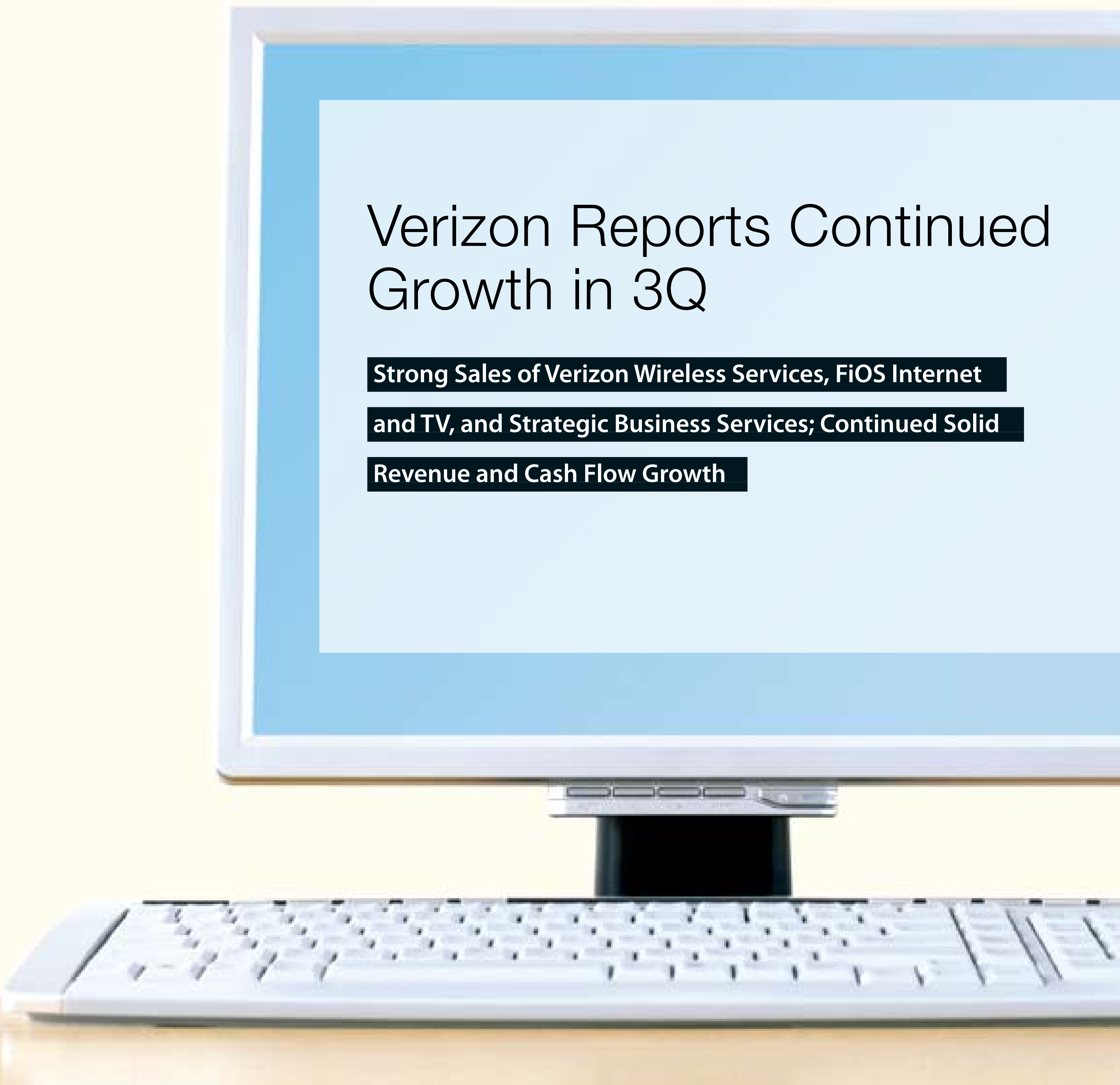
Investor Quarterly

Q3 2008



VZ Third Quarter 2008

October 27, 2008



Verizon Reports Continued Growth in 3Q
Strong Sales of Verizon Wireless Services, FiOS Internet and TV, and Strategic Business Services; Continued Solid Revenue and Cash Flow Growth

3rd Quarter 2008 Highlights

Consolidated Results

- 59 cents in diluted EPS and 66 cents in adjusted EPS (non-GAAP), compared with 3Q 2007 diluted EPS of 44 cents reported and 63 cents adjusted.
- $24.8 billion in quarterly revenues — adjusted growth of 5.4 percent (non-GAAP).

Wireless

- 1.5 million organic net customer additions, all retail (non-wholesale); 2.1 million total retail net additions including customers from acquisitions.
- 70.8 million total customers; 68.8 million retail customers, up 11.3 percent.
- Industry-leading low churn — 1.33 percent total churn and 1.03 percent retail post-paid churn.
- 12.5 percent increase in total revenues; data revenues up 42.5 percent; 44.2 percent EBITDA margin on service revenues (non-GAAP).

Wireline

- 233,000 net new FiOS TV customers and 225,000 net new FiOS Internet customers.
- 12.8 percent increase in consumer ARPU in legacy telecom markets; 45.3 percent growth in consumer broadband and video revenues.
- 15.4 percent increase in Verizon Business strategic services revenues.
- 8th consecutive quarter of year-over-year pro-forma Verizon Business revenue growth.

Note: Comparisons are year over year unless otherwise noted. See the accompanying schedules and www.verizon.com/investor for reconciliations to generally accepted accounting principles (GAAP) for non-GAAP financial measures cited in this news release. Discontinued operations relate to the disposition of Telecomunicaciones de Puerto Rico, Inc. that was completed on March 30, 2007. Reclassifications of prior-period amounts have been made, where appropriate, to reflect comparable operating results for the spinoff of the Wireline segment's non-strategic local exchange and related business assets in Maine, New Hampshire and Vermont in the first quarter of 2008.

NEW YORK—Verizon Communications Inc. (NYSE:VZ) today reported strong results in the third quarter 2008, supported by Verizon Wireless' continued strong performance, accelerating numbers of new FiOS customers, and continued increased sales of strategic business services.

Verizon reported 59 cents in diluted earnings per share (EPS) in the third quarter 2008, compared with 44 cents per share in the third quarter 2007.

On an adjusted basis (non-GAAP), third-quarter 2008 earnings were 66 cents per share, compared with 63 cents per share in the third quarter 2007.

Continued Growth in 3Q

"Verizon again reported solid revenue, earnings and cash flow growth this quarter," said Chairman and CEO Ivan Seidenberg. "The strategic investments we made over the past few years continue to drive growth in wireless, enterprise, broadband and video.

"Although the capital markets and economy may present challenges, we will continue to execute on our business plan and invest for future growth," he said. "We increased the dividend 7 percent this quarter, reflecting confidence in continued growth opportunities. Verizon has a great set of assets and an employee team focused on creating value for our customers and shareholders."

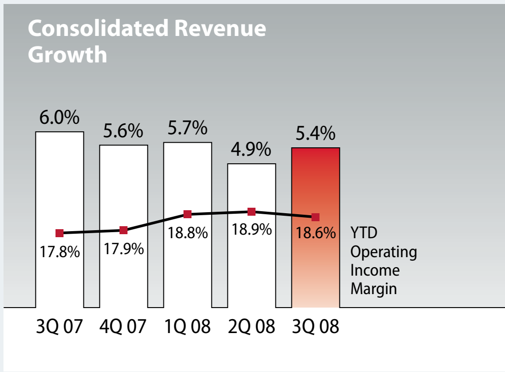
Strong Revenues and Cash Flows

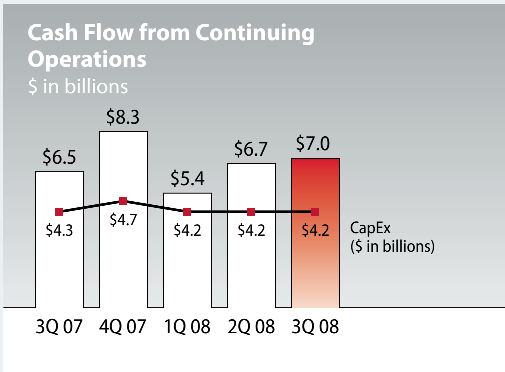
Verizon's total operating revenues grew 4.1 percent to $24.8 billion in the third quarter 2008, from $23.8 billion in the third quarter 2007. This is an increase of 5.4 percent when adjusted for the spinoff of non-strategic local exchange and related Wireline business assets earlier this year (non-GAAP). Total operating expenses increased 5.2 percent to $20.6 billion, or 5.4 percent on an adjusted basis, comparing third-quarter 2008 with third-quarter 2007.

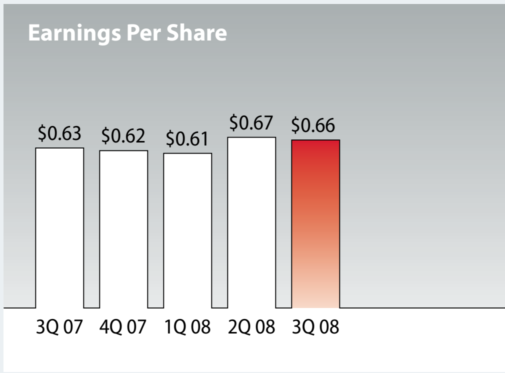
Cash flows from continuing operations were $19.1 billion through the first nine months of 2008, up 5.9 percent compared with the same period last year. Capital expenditures were $12.6 billion through the first nine months of 2008, down more than $200 million over the same period last year. Verizon is on track to deliver lower overall capital spending in 2008, compared with 2007. Total debt was $44.8 billion, compared with $43.1 billion at the end of the second quarter 2008.

Details of 3Q Adjustments

Adjusted earnings in the third quarter 2008 excluded $164 million after-tax, or 6 cents per share, for severance, pension and benefit charges recognized primarily as a result of workforce reductions; and $32 million after-tax, or 1 cent per share, for merger integration costs. Adjusted earnings in the third quarter 2007 excluded charges of 19 cents per share in special items: 16 cents per share for international taxes, 2 cents per share for costs related to the spinoff of non-strategic Wireline assets and 1 cent per share for merger integration costs.







Wireless Continues Strong and Steady Growth

Verizon Wireless continued its uninterrupted record of industry-leading customer loyalty and profitability. In the third quarter:

› Wireless retail gross customer additions were strong, up 5.3 percent over the prior year.

› Organic growth (growth from sources other than acquisitions) was 1.5 million retail net customer additions, essentially all post-paid.

› Total growth was 2.1 million retail net additions. This included 630,000 retail customers from the Rural Cellular Corp. acquisition, and Verizon expects to have a net loss of approximately 120,000 of these customers under an exchange agreement with another carrier. Verizon Wireless had 70.8 million total customers at the end of the quarter.

› The company continues to have a high-quality customer base, with 68.8 million retail wireless customers—the most of any wireless brand in the U.S.

› Verizon Wireless had industry-leading (lowest) total churn for the 16th consecutive quarter, at 1.33 percent. Among the company's retail post-paid customers, churn was even lower at 1.03 percent.

› Verizon Wireless continued its double-digit revenue growth, with total revenues of $12.7 billion, up 12.5 percent year over year. Service revenues were $10.9 billion, up 12.2 percent year over year, driven by customer growth and demand for data services.

› This revenue growth was driven by ARPU (average monthly revenue per customer), which increased year over year for the 10th consecutive quarter. Total service ARPU of $52.18 was up 0.9 percent year over year, reflecting strong growth in total data ARPU, which was up 28.3 percent.

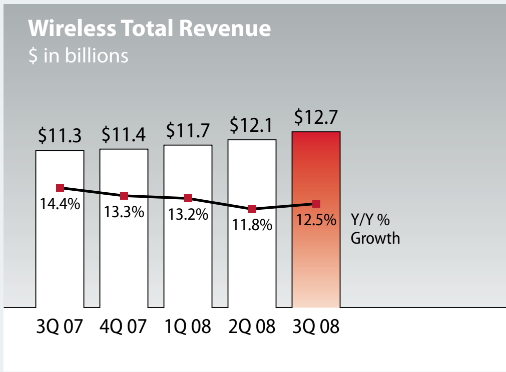
› Wireless operating income margin was 27.3 percent, up 20 basis points year over year.

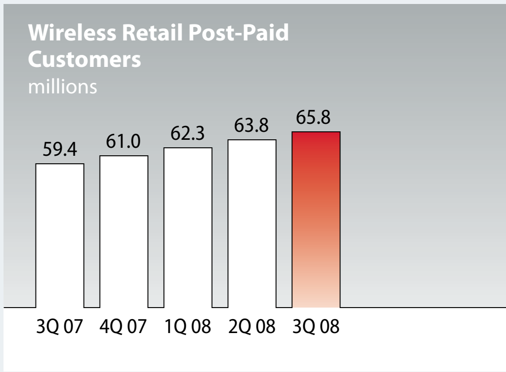
› EBITDA margin on service revenues (non-GAAP) was 44.2 percent. (EBITDA is earnings before interest, taxes, depreciation and amortization.)

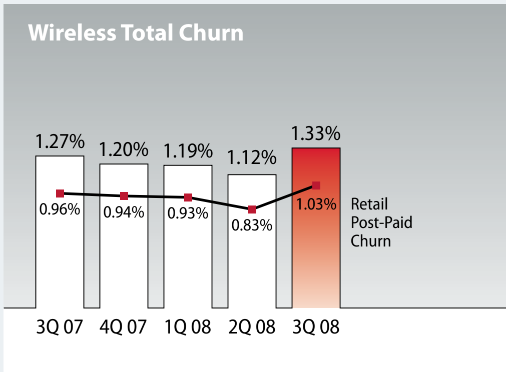
FiOS Customer Growth Accelerates

Verizon Wireline reported accelerated growth of FiOS sales and continued increased sales of enterprise strategic services. In the third quarter (with prior-period comparisons adjusted to reflect the impact of the spinoff of non-strategic Wireline assets):

› Verizon added 233,000 net new FiOS TV customers, compared with 176,000 in the second quarter 2008. The company has 1.6 million FiOS TV customers, compared with more than 700,000 FiOS TV customers at the end of third-quarter 2007.







> Verizon added 225,000 net new FiOS Internet customers, compared with 187,000 in the second quarter 2008. The company has 2.2 million FiOS Internet customers, compared with 1.3 million FiOS Internet customers at the end of third-quarter 2007.

> FiOS Internet sales penetration (sales as a percentage of potential customers) increased to 24.2 percent, compared with 20.0 percent in last year's third quarter. FiOS Internet is available for sale to nearly 9.1 million premises.

> FiOS TV sales penetration increased to 19.7 percent, compared with 15.2 percent in last year's third quarter. Verizon made FiOS TV service available for sale to a record 1.2 million additional premises in the quarter, bringing the total to 8.2 million.

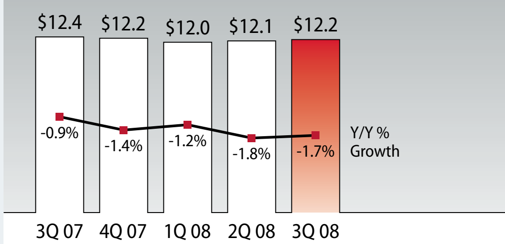
> Broadband and video revenues from consumer customers totaled $1.1 billion in the third quarter, representing year-over-year growth of 45.3 percent.

> Growing revenue from broadband and video services drove consumer ARPU in legacy Verizon wireline markets (which excludes consumer markets served by the former MCI) to $66.67, a 12.8 percent increase compared with last year's third quarter.

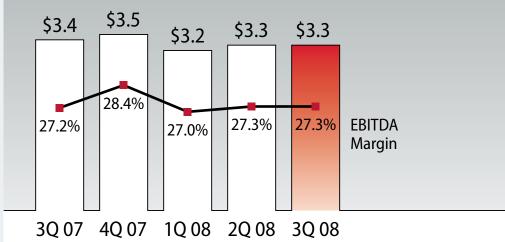
> Verizon Business had total revenues of $5.4 billion, or growth of 1.2 percent compared with last year's third quarter. This was Verizon Business' eighth consecutive quarter of year-over-year pro-forma revenue growth (non-GAAP, calculated as if Verizon and MCI had merged on Jan. 1, 2005).

> Sales of strategic services—such as IP (Internet protocol), managed services, Ethernet and optical ring services—continued to drive growth at Verizon Business. These services generated $1.6 billion in revenue, up 15.4 percent from third-quarter 2007.

Wireline Total Revenue
$ in billions



Wireline EBITDA
$ in billions



Additional Highlights

Wireless

› Verizon Wireless completed its purchase of Rural Cellular on Aug. 7, 2008. The acquisition will expand the company's network coverage to many rural markets around the country.

› At the end of the third quarter, 97 percent of the company's base was retail (post-pay and pre-pay) and 93 percent was retail post-pay.

› Verizon Wireless continued to lead the industry in cost efficiency. Cash expense per customer per month (non-GAAP) was $29.12 in the third quarter 2008, an increase of 1.7 percent over the third quarter 2007 and 3.9 percent from the second quarter 2008.

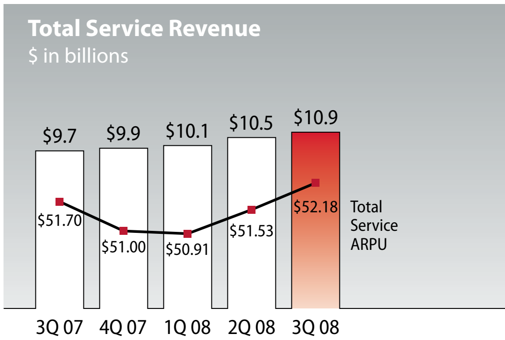
› Data revenues grew 42.5 percent over the prior year, to $2.8 billion. The company had 52.6 million retail data customers in September (approximately three-quarters of its retail base), a 25.3 percent increase over the prior year.

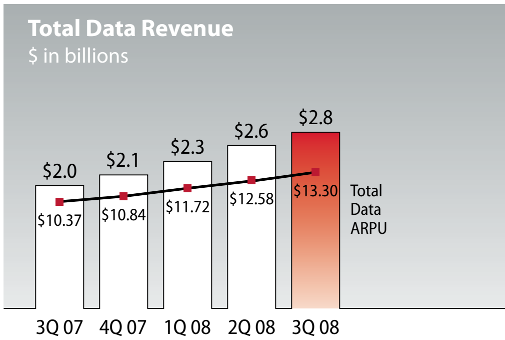
› The company continued to extend the reach of its nationwide wireless broadband network to make the nation's largest and most reliable 3G (third-generation) network available to a greater number of Americans—more than 260 million at the end of the third quarter. More than 60 percent of the company's retail customers—43.2 million—had 3G broadband-capable devices at the end of the quarter.

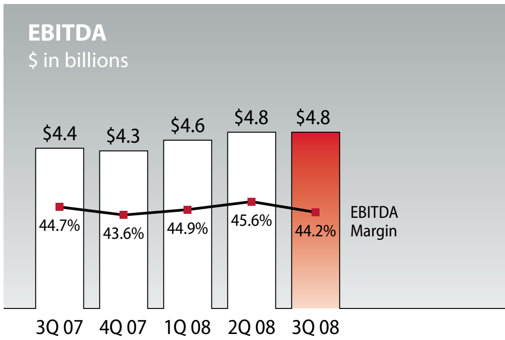
› To offer customers both the reliability of Verizon Wireless' 3G network and the full power of a revolutionary touch-screen, multimedia smartphone, Verizon Wireless announced the BlackBerry Storm will be available later this fall. Designed for both consumers and business customers, the BlackBerry Storm offers the dependability of the BlackBerry platform; global connectivity; and premium services and features, such as Web browsing, music and video, turn-by-turn satellite navigation, messaging and social networking. The Blackberry Storm will be sold exclusively by Verizon Wireless in the U.S. and by Vodafone in Europe, India, Australia and New Zealand.

› Since the end of the second quarter, the company introduced two new rugged phones—the G'zOne Boulder and the Motorola Adventure V750. These are designed to withstand extreme conditions and provide access

Wireless







to Verizon Wireless' Push to Talk service—a fast, two-way communication that instantly connects customers to co-workers and leverages the high speeds of the company's EV-DO (Rev.A) network. Other devices included new multimedia handsets by LG—the Dare and the Chocolate 3—and the Samsung Knack for customers who want simple features and functionality.

› During the quarter, Verizon Wireless customers sent or received more than 80 billion text messages and nearly 1.5 billion picture/video messages. Customers also completed 43 million music and video downloads.

› Through a five-year agreement announced earlier this year, Qwest Communications began selling Verizon Wireless products and services to residential and business customers in its residential service area.

Wireline

› Wireline total operating revenues were $12.2 billion, a 1.7 percent decrease compared with the third quarter 2007. Wireline total operating expenses decreased 1.1 percent over the same period.

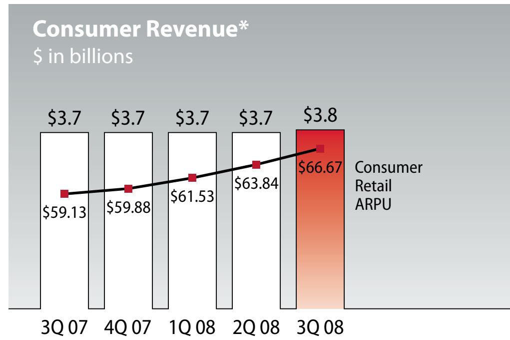
› Verizon's broadband fiber-to-the-premises network passed 11.9 million premises throughout the company's wireline service territory by the end of the quarter.

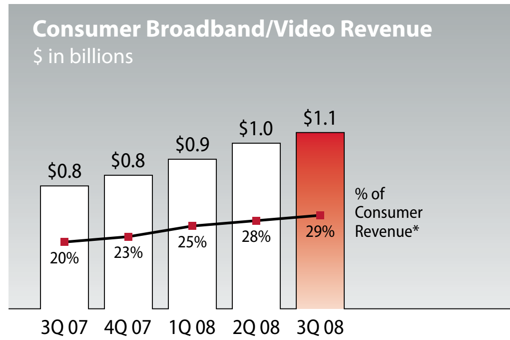
› Total broadband connections were 8.5 million, a net increase of 129,000 over the second quarter 2008. This includes a decrease of 96,000 DSL-based Verizon High Speed Internet connections, which was more than offset by the increase in FiOS Internet customers. The 8.5 million is a 9.1 percent year-over-year increase.

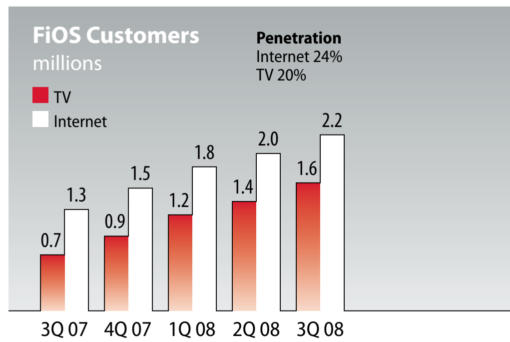
› Broadband and TV products now account for 29.1 percent of consumer ARPU in legacy markets, compared with 27.6 percent in the second quarter 2008. The ARPU among FiOS customers continues to be more than $130 per month.

› Wireline data revenues—which now represent 42.9 percent of total Wireline revenues—were $5.2 billion, an increase of 14.6 percent compared with the third quarter 2007. This includes revenues from consumer broadband services, wholesale data transport and Verizon Business data services.

Wireline







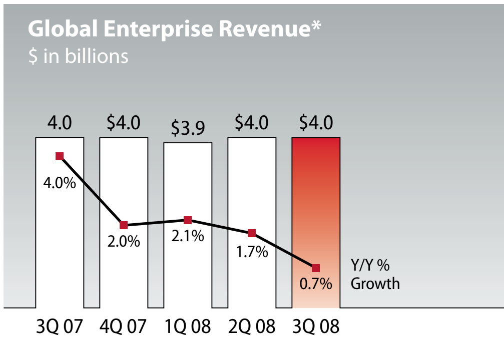
* Legacy Verizon

› Verizon Business, which delivers integrated global communications and IT solutions to large-business and government customers, announced significant capability enhancements. These included professional services aimed at gaining flexibility, cost control and savings from virtualized environments; an expanded suite of unified communications tools in conjunction with Cisco; a new managed wireless local area network-access offering; a new Network Access Control security service; a consolidated Global Billing Report; an enhanced interface for connecting with more than 70,000 Verizon Wi-Fi hot spots worldwide; and an extension of the company's enterprise mobility access services to Latin America.

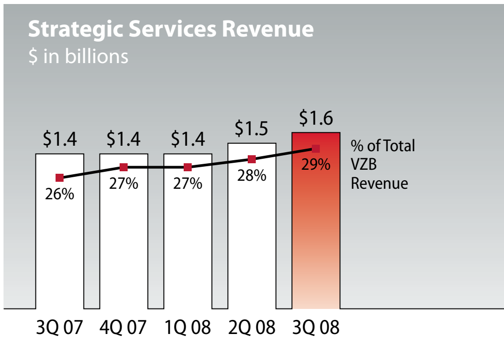
› Verizon Business continued to expand its global network reach and capabilities, announcing during the quarter that the first phase of the Trans-Pacific Express submarine cable system directly connecting Mainland China, the U.S., South Korea and Taiwan is ready for service. The company also began a significant expansion of its operations in India, activating Private IP nodes in five major business centers following receipt of international and national long-distance licenses earlier this year.

› Additional global network enhancements included installing 27 additional Private IP edge switches globally for a total of 621 edge switches in 158 markets; completing the first phase of the company's U.S. optical mesh network; expanding its mesh network in the Asia-Pacific region to Taiwan, Hong Kong and Korea; and deploying an additional 1,348 ultra long haul route-miles in the U.S.

› New commercial customer agreements included CA Inc., First Data, H&R Block, Husqvarna and Kuwait Petroleum International Ltd. Verizon Business also signed new contracts with several U.S. government agencies.



* Retail domestic and retail international



NOTE: This news release contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: materially adverse changes in economic and industry conditions and labor matters, including workforce levels and labor negotiations, and any resulting financial and/or operational impact, in the markets served by us or by companies in which we have substantial investments; material changes in available technology, including disruption of our suppliers' provisioning of critical products or services; the impact of natural or man-made disasters or litigation and any resulting financial impact not covered by insurance; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets impacting the cost, including interest rates, and/or availability of financing; the final results of federal and state regulatory proceedings concerning our provision of retail and wholesale services and judicial review of those results; the effects of competition in our markets; the timing, scope and financial impact of our deployment of fiber-to-the-premises broadband technology; the ability of Verizon Wireless to continue to obtain sufficient spectrum resources; changes in our accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; and the ability to complete acquisitions and dispositions.

condensed consolidated statements of income

(dollars in millions, except per share amounts)

Unaudited	**3 Mos. Ended 9/30/08**	3 Mos. Ended 9/30/07	% Change	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07	% Change
Operating Revenues	**$ 24,752**	$ 23,772	4.1	**$ 72,709**	$ 69,629	4.4
Operating Expenses						
Cost of services and sales	**10,048**	9,608	4.6	**29,031**	27,751	4.6
Selling, general & administrative expense	**6,879**	6,349	8.3	**19,808**	19,012	4.2
Depreciation and amortization expense	**3,652**	3,605	1.3	**10,818**	10,711	1.0
Total Operating Expenses	**20,579**	19,562	5.2	**59,657**	57,474	3.8
Operating Income	**4,173**	4,210	(0.9)	**13,052**	12,155	7.4
Equity in earnings of unconsolidated businesses	**211**	147	43.5	**458**	492	(6.9)
Other income and (expense), net	**105**	49	*	**220**	124	77.4
Interest expense	**(440)**	(450)	(2.2)	**(1,302)**	(1,390)	(6.3)
Minority interest	**(1,530)**	(1,298)	17.9	**(4,459)**	(3,720)	19.9
Income Before Provision for Income Taxes, Discontinued Operations and Extraordinary Item	**2,519**	2,658	(5.2)	**7,969**	7,661	4.0
Provision for income taxes	**(850)**	(1,387)	(38.7)	**(2,776)**	(3,223)	(13.9)
Income Before Discontinued Operations and Extraordinary Item	**1,669**	1,271	31.3	**5,193**	4,438	17.0
Income from discontinued operations, net of tax[(1)]	**—**	—	*	**—**	142	(100.0)
Extraordinary item, net of tax	**—**	—	*	**—**	(131)	(100.0)
Net Income	**$ 1,669**	$ 1,271	31.3	**$ 5,193**	$ 4,449	16.7
Basic Earnings per Common Share[(2)]						
Income before discontinued operations and extraordinary item	**$ .59**	$ .44	34.1	**$ 1.82**	$ 1.53	19.0
Income from discontinued operations, net of tax	**—**	—	*	**—**	.05	(100.0)
Extraordinary item, net of tax	**—**	—	*	**—**	(.05)	(100.0)
Net income	**$ .59**	$ .44	34.1	**$ 1.82**	$ 1.53	19.0
Weighted average number of common shares (in millions)	**2,844**	2,896		**2,852**	2,902	
Diluted Earnings per Common Share[(2)(3)]						
Income before discontinued operations and extraordinary item	**$ .59**	$ .44	34.1	**$ 1.82**	$ 1.53	19.0
Income from discontinued operations, net of tax	**—**	—	*	**—**	.05	(100.0)
Extraordinary item, net of tax	**—**	—	*	**—**	(.05)	(100.0)
Net income	**$ .59**	$ .44	34.1	**$ 1.82**	$ 1.53	19.0
Weighted average number of common shares — assuming dilution (in millions)	**2,845**	2,900		**2,854**	2,906	

Footnotes:

(1) Discontinued operations includes a gain on the sale of Telecomunicaciones de Puerto Rico, Inc. (TELPRI) of $70 million, net of tax. The disposition of this non-strategic business was completed on March 30, 2007.

(2) EPS totals may not add due to rounding.

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

* Not meaningful

condensed consolidated statements of income before special items

(dollars in millions, except per share amounts)

Unaudited	**3 Mos. Ended 9/30/08**	3 Mos. Ended 9/30/07	% Change	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07	% Change
Operating Revenues(1)						
Wireline	**$ 12,158**	$ 12,372	(1.7)	**$ 36,297**	$ 36,880	(1.6)
Domestic Wireless	**12,699**	11,289	12.5	**36,486**	32,439	12.5
Other	**(105)**	(168)	(37.5)	**(332)**	(515)	(35.5)
Total Operating Revenues	**24,752**	23,493	5.4	**72,451**	68,804	5.3
Operating Expenses(1)						
Cost of services and sales	**10,043**	9,489	5.8	**28,896**	27,414	5.4
Selling, general & administrative expense	**6,569**	6,201	5.9	**19,306**	18,621	3.7
Depreciation and amortization expense	**3,652**	3,540	3.2	**10,758**	10,518	2.3
Total Operating Expenses	**20,264**	19,230	5.4	**58,960**	56,553	4.3
Operating Income	**4,488**	4,263	5.3	**13,491**	12,251	10.1
Operating income impact of divested operations(1)	**—**	51	(100.0)	**44**	149	(70.5)
Equity in earnings of unconsolidated businesses	**211**	147	43.5	**458**	492	(6.9)
Other income and (expense), net	**105**	49	*	**220**	124	77.4
Interest expense	**(440)**	(450)	(2.2)	**(1,302)**	(1,390)	(6.3)
Minority interest	**(1,530)**	(1,298)	17.9	**(4,459)**	(3,720)	19.9
Income Before Provision for Income Taxes and Discontinued Operations	**2,834**	2,762	2.6	**8,452**	7,906	6.9
Provision for income taxes	**(969)**	(948)	2.2	**(2,942)**	(2,834)	3.8
Income Before Discontinued Operations	**1,865**	1,814	2.8	**5,510**	5,072	8.6
Income from discontinued operations, net of tax	**—**	—	*	**—**	72	(100.0)
Net Income Before Special Items	**$ 1,865**	$ 1,814	2.8	**$ 5,510**	$ 5,144	7.1
Basic Adjusted Earnings per Common Share(2)						
Income before discontinued operations	**$ .66**	$ .63	4.8	**$ 1.93**	$ 1.75	10.3
Income from discontinued operations, net of tax	**—**	—	*	**—**	.02	(100.0)
Net income	**$ .66**	$ .63	4.8	**$ 1.93**	$ 1.77	9.0
Weighted average number of common shares (in millions)	**2,844**	2,896		**2,852**	2,902	
Diluted Adjusted Earnings per Common Share(2)(3)						
Income before discontinued operations	**$ .66**	$ .63	4.8	**$ 1.93**	$ 1.75	10.3
Income from discontinued operations, net of tax	**—**	—	*	**—**	.02	(100.0)
Net income	**$ .66**	$ .63	4.8	**$ 1.93**	$ 1.77	9.0
Weighted average number of common shares-assuming dilution (in millions)	**2,845**	2,900		**2,854**	2,906	

Footnotes:

(1) Reclassifications of prior period amounts have been made, where appropriate, to reflect comparable operating results for the spin-off of the wireline segment's non-strategic local exchange and related business assets in Maine, New Hampshire and Vermont in the first quarter of 2008. Reclassifications were determined using specific information where available and allocations where data is not maintained on a state-specific basis within the Company's books and records as follows:

Revenues	**$ —**	$ 279	**$ 258**	$ 825
Expenses	**$ —**	$ 228	**$ 214**	$ 676

(2) EPS totals may not add due to rounding.

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

* Not meaningful

condensed consolidated statements of income – reconciliations

Third Quarter 2008 and 2007

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/08 Reported (GAAP)	Special and Non-Recurring Items: Merger Integration Costs	Special and Non-Recurring Items: Severance, Pension and Benefit Charges	3 Mos. Ended 9/30/08 Before Special Items
Operating Revenues	**$ 24,752**	$ —	$ —	**$ 24,752**
Operating Expenses				
Cost of services and sales	**10,048**	(5)	—	**10,043**
Selling, general & administrative expense	**6,879**	(45)	(265)	**6,569**
Depreciation and amortization expense	**3,652**	—	—	**3,652**
Total Operating Expenses	**20,579**	(50)	(265)	**20,264**
Operating Income	**4,173**	50	265	**4,488**
Equity in earnings of unconsolidated businesses	**211**	—	—	**211**
Other income and (expense), net	**105**	—	—	**105**
Interest expense	**(440)**	—	—	**(440)**
Minority interest	**(1,530)**	—	—	**(1,530)**
Income Before Provision for Income Taxes	**2,519**	50	265	**2,834**
Provision for income taxes	**(850)**	(18)	(101)	**(969)**
Net Income	**$ 1,669**	$ 32	$ 164	**$ 1,865**
Basic Earnings per Common Share[(1)]				
Net income	**$ .59**	$ .01	$ .06	**$ .66**
Diluted Earnings per Common Share[(1)]				
Net income	**$ .59**	$ .01	$ .06	**$ .66**

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/07 Reported (GAAP)	Special and Non-Recurring Items: Merger Integration Costs	Special and Non-Recurring Items: Access Line Spin-Off Related Charges	Special and Non-Recurring Items: International Taxes	Special and Non-Recurring Items: Impact of Divested Operations	3 Mos. Ended 9/30/07 Before Special Items
Operating Revenues	**$ 23,772**	$ —	$ —	$ —	$ (279)	**$ 23,493**
Operating Expenses						
Cost of services and sales	**9,608**	(12)	—	—	(107)	**9,489**
Selling, general & administrative expense	**6,349**	(33)	(46)	(13)	(56)	**6,201**
Depreciation and amortization expense	**3,605**	—	—	—	(65)	**3,540**
Total Operating Expenses	**19,562**	(45)	(46)	(13)	(228)	**19,230**
Operating Income	**4,210**	45	46	13	(51)	**4,263**
Operating income impact of divested operations	**—**	—	—	—	51	**51**
Equity in earnings of unconsolidated businesses	**147**	—	—	—	—	**147**
Other income and (expense), net	**49**	—	—	—	—	**49**
Interest expense	**(450)**	—	—	—	—	**(450)**
Minority interest	**(1,298)**	—	—	—	—	**(1,298)**
Income Before Provision for Income Taxes	**2,658**	45	46	13	—	**2,762**
Provision for income taxes	**(1,387)**	(17)	(2)	458	—	**(948)**
Net Income	**$ 1,271**	$ 28	$ 44	$ 471	$ —	**$ 1,814**
Basic Earnings per Common Share[(1)]						
Net income	**$ .44**	$ .01	$ .02	$ .16	$ —	**$ .63**
Diluted Earnings per Common Share[(1)]						
Net income	**$ .44**	$ .01	$ .02	$ .16	$ —	**$ .63**

Footnote:
(1) EPS totals may not add due to rounding.
Note: See www.verizon.com/investor for a reconciliation of other non-GAAP measures included in this *Quarterly Bulletin*.

condensed consolidated statements of income – reconciliations

Third Quarter Year-to-Date 2008 and 2007

(dollars in millions, except per share amounts)

Unaudited	9 Mos. Ended 9/30/08 Reported (GAAP)	Special and Non-Recurring Items: Merger Integration Costs	Access Line Spin-Off Related Charges	Impact of Divested Operations	Severance, Pension and Benefit Charges	9 Mos. Ended 9/30/08 Before Special Items
Operating Revenues	**$ 72,709**	$ —	$ —	$ (258)	$ —	**$ 72,451**
Operating Expenses						
Cost of services and sales	**29,031**	(18)	(16)	(101)	—	**28,896**
Selling, general & administrative expense	**19,808**	(97)	(87)	(53)	(265)	**19,306**
Depreciation and amortization expense	**10,818**	—	—	(60)	—	**10,758**
Total Operating Expenses	**59,657**	(115)	(103)	(214)	(265)	**58,960**
Operating Income	**13,052**	115	103	(44)	265	**13,491**
Operating income impact of divested operations	**—**	—	—	44	—	**44**
Equity in earnings of unconsolidated businesses	**458**	—	—	—	—	**458**
Other income and (expense), net	**220**	—	—	—	—	**220**
Interest expense	**(1,302)**	—	—	—	—	**(1,302)**
Minority interest	**(4,459)**	—	—	—	—	**(4,459)**
Income Before Provision for Income Taxes	**7,969**	115	103	—	265	**8,452**
Provision for income taxes	**(2,776)**	(43)	(22)	—	(101)	**(2,942)**
Net Income	**$ 5,193**	$ 72	$ 81	$ —	$ 164	**$ 5,510**
Basic Earnings per Common Share[1]						
Net income	**$ 1.82**	$ .02	$ .03	$ —	$ .06	**$ 1.93**
Diluted Earnings per Common Share[1]						
Net income	**$ 1.82**	$ .02	$ .03	$ —	$ .06	**$ 1.93**

(dollars in millions, except per share amounts)

Unaudited	9 Mos. Ended 9/30/07 Reported (GAAP)	Special and Non-Recurring Items: Merger Integration Costs	Sale of Puerto Rico, Net	Loss on CANTV	Access Line Spin-Off Related Charges	International Taxes	Impact of Divested Operations	9 Mos. Ended 9/30/07 Before Special Items
Operating Revenues	**$ 69,629**	$ —	$ —	$ —	$ —	$ —	$ (825)	**$ 68,804**
Operating Expenses								
Cost of services and sales	**27,751**	(16)	—	—	—	—	(321)	**27,414**
Selling, general & administrative expense	**19,012**	(70)	(100)	—	(46)	(13)	(162)	**18,621**
Depreciation and amortization expense	**10,711**	—	—	—	—	—	(193)	**10,518**
Total Operating Expenses	**57,474**	(86)	(100)	—	(46)	(13)	(676)	**56,553**
Operating Income	**12,155**	86	100	—	46	13	(149)	**12,251**
Operating income impact of divested operations	**—**	—	—	—	—	—	149	**149**
Equity in earnings of unconsolidated businesses	**492**	—	—	—	—	—	—	**492**
Other income and (expense), net	**124**	—	—	—	—	—	—	**124**
Interest expense	**(1,390)**	—	—	—	—	—	—	**(1,390)**
Minority interest	**(3,720)**	—	—	—	—	—	—	**(3,720)**
Income Before Provision for Income Taxes, Discontinued Operations and Extraordinary Item	**7,661**	86	100	—	46	13	—	**7,906**
Provision for income taxes	**(3,223)**	(32)	(35)	—	(2)	458	—	**(2,834)**
Income Before Discontinued Operations and Extraordinary Item	**4,438**	54	65	—	44	471	—	**5,072**
Income from discontinued operations, net of tax	**142**	—	(70)	—	—	—	—	**72**
Extraordinary item, net of tax	**(131)**	—	—	131	—	—	—	**—**
Net Income	**$ 4,449**	$ 54	$ (5)	$ 131	$ 44	$ 471	$ —	**$ 5,144**
Basic Earnings per Common Share[1]								
Income before discontinued operations and extraordinary item	**$ 1.53**	$ .02	$ .02	$ —	$ .02	$ .16	$ —	**$ 1.75**
Income from discontinued operations, net of tax	**.05**	—	(.02)	—	—	—	—	**.02**
Extraordinary item, net of tax	**(.05)**	—	—	.05	—	—	—	**—**
Net income	**$ 1.53**	$ .02	$ —	$ .05	$ .02	$ .16	$ —	**$ 1.77**
Diluted Earnings per Common Share[1]								
Income before discontinued operations and extraordinary item	**$ 1.53**	$ .02	$ .02	$ —	$ .02	$ .16	$ —	**$ 1.75**
Income from discontinued operations, net of tax	**.05**	—	(.02)	—	—	—	—	**.02**
Extraordinary item, net of tax	**(.05)**	—	—	.05	—	—	—	**—**
Net income	**$ 1.53**	$ .02	$ —	$ .05	$ .02	$ .16	$ —	**$ 1.77**

Footnote:
(1) EPS totals may not add due to rounding.
Note: See www.verizon.com/investor for a reconciliation of other non-GAAP measures included in this *Quarterly Bulletin*.

selected financial and operating statistics

(dollars in millions, except per share amounts)

Unaudited	**9/30/08**	9/30/07
Debt to debt and shareowners' equity ratio-end of period	**46.8%**	38.8%
Book value per common share	**$ 17.94**	$ 17.19
Common shares outstanding (in millions)		
End of period	**2,840**	2,890
Total employees(1)	**228,315**	235,252

Unaudited	**3 Mos. Ended 9/30/08**	3 Mos. Ended 9/30/07	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07
Capital expenditures (including capitalized software)				
Wireline	**$ 2,483**	$ 2,753	**$ 7,318**	$ 7,873
Domestic Wireless	**1,473**	1,515	**4,723**	4,903
Other	**222**	9	**534**	16
Total	**$ 4,178**	$ 4,277	**$ 12,575**	$ 12,792
Cash dividends declared per common share	**$ 0.460**	$ 0.430	**$ 1.320**	$ 1.240

Footnote:

(1) Prior period has been reclassified to reflect comparable amounts.

condensed consolidated balance sheets

(dollars in millions)

Unaudited	9/30/08	12/31/07	$ Change
Assets			
Current assets			
Cash and cash equivalents	**$ 696**	$ 1,153	$ (457)
Short-term investments	**978**	2,244	(1,266)
Accounts receivable, net	**11,724**	11,736	(12)
Inventories	**2,485**	1,729	756
Prepaid expenses and other	**3,248**	1,836	1,412
Total current assets	**19,131**	18,698	433
Plant, property and equipment	**214,376**	213,994	382
Less accumulated depreciation	**128,687**	128,700	(13)
	85,689	85,294	395
Investments in unconsolidated businesses	**3,198**	3,372	(174)
Wireless licenses	**61,595**	50,796	10,799
Goodwill	**6,124**	5,245	879
Other intangible assets, net	**5,093**	4,988	105
Other investments	**4,759**	—	4,759
Other assets	**19,272**	18,566	706
Total Assets	**$ 204,861**	$ 186,959	$ 17,902
Liabilities and Shareowners' Investment			
Current liabilities			
Debt maturing within one year	**$ 7,297**	$ 2,954	$ 4,343
Accounts payable and accrued liabilities	**13,715**	14,462	(747)
Other	**7,263**	7,325	(62)
Total current liabilities	**28,275**	24,741	3,534
Long-term debt	**37,478**	28,203	9,275
Employee benefit obligations	**28,800**	29,960	(1,160)
Deferred income taxes	**17,409**	14,784	2,625
Other liabilities	**6,053**	6,402	(349)
Minority interest	**35,892**	32,288	3,604
Shareowners' investment			
Common stock	**297**	297	—
Contributed capital	**40,290**	40,316	(26)
Reinvested earnings	**19,322**	17,884	1,438
Accumulated other comprehensive loss	**(4,199)**	(4,506)	307
Common stock in treasury, at cost	**(4,841)**	(3,489)	(1,352)
Deferred compensation — employee stock ownership plans and other	**85**	79	6
Total shareowners' investment	**50,954**	50,581	373
Total Liabilities and Shareowners' Investment	**$ 204,861**	$ 186,959	$ 17,902

The unaudited consolidated balance sheets are based on preliminary information.

condensed consolidated statements of cash flows

(dollars in millions)

Unaudited	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07	$ Change
Cash Flows From Operating Activities			
Net income	**$ 5,193**	$ 4,449	$ 744
Adjustments to reconcile net income to net cash provided by operating activities — continuing operations:			
Depreciation and amortization expense	**10,818**	10,711	107
Employee retirement benefits	**1,232**	1,290	(58)
Deferred income taxes	**2,240**	708	1,532
Provision for uncollectible accounts	**724**	741	(17)
Equity in earnings of unconsolidated businesses, net of dividends received	**303**	(268)	571
Extraordinary item, net of tax	**—**	131	(131)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	**(2,458)**	(2,296)	(162)
Other, net	**1,026**	2,553	(1,527)
Net cash provided by operating activities — continuing operations	**19,078**	18,019	1,059
Net cash used in operating activities — discontinued operations	**—**	(570)	570
Net cash provided by operating activities	**19,078**	17,449	1,629
Cash Flows From Investing Activities			
Capital expenditures (including capitalized software)	**(12,575)**	(12,792)	217
Acquisitions of licenses, investments and businesses, net of cash acquired	**(15,978)**	(697)	(15,281)
Net change in short-term investments	**1,238**	1,267	(29)
Other, net	**(567)**	981	(1,548)
Net cash used in investing activities — continuing operations	**(27,882)**	(11,241)	(16,641)
Net cash provided by investing activities — discontinued operations	**—**	757	(757)
Net cash used in investing activities	**(27,882)**	(10,484)	(17,398)
Cash Flows From Financing Activities			
Proceeds from long-term borrowings	**12,552**	3,402	9,150
Repayments of long-term borrowings and capital lease obligations	**(3,398)**	(4,994)	1,596
Increase (decrease) in short-term obligations, excluding current maturities	**4,132**	(3,438)	7,570
Dividends paid	**(3,687)**	(3,529)	(158)
Proceeds from sale of common stock	**16**	794	(778)
Purchase of common stock for treasury	**(1,369)**	(1,734)	365
Other, net	**101**	30	71
Net cash provided by (used in) financing activities — continuing operations	**8,347**	(9,469)	17,816
Net cash provided by (used in) financing activities — discontinued operations	**—**	—	—
Net cash provided by (used in) financing activities	**8,347**	(9,469)	17,816
Decrease in cash and cash equivalents	**(457)**	(2,504)	2,047
Cash and cash equivalents, beginning of period	**1,153**	3,219	(2,066)
Cash and cash equivalents, end of period	**$ 696**	$ 715	$ (19)

wireline — selected financial results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/08	3 Mos. Ended 9/30/07	% Change	9 Mos. Ended 9/30/08	9 Mos. Ended 9/30/07	% Change
Wireline Operating Revenues(1)						
Verizon Telecom						
Mass Markets	**$ 5,277**	$ 5,329	(1.0)	**$ 15,748**	$ 16,032	(1.8)
Wholesale	**1,882**	1,967	(4.3)	**5,689**	5,842	(2.6)
Other	**338**	447	(24.4)	**1,067**	1,320	(19.2)
Verizon Business						
Enterprise Business	**3,655**	3,686	(0.8)	**10,804**	10,862	(0.5)
Wholesale	**851**	836	1.8	**2,531**	2,530	*
International and Other	**871**	789	10.4	**2,574**	2,376	8.3
Eliminations	**(716)**	(682)	5.0	**(2,116)**	(2,082)	1.6
Total Operating Revenues	**12,158**	12,372	(1.7)	**36,297**	36,880	(1.6)
Operating Expenses(1)						
Cost of services and sales	**6,155**	6,085	1.2	**18,233**	17,993	1.3
Selling, general & administrative expense	**2,689**	2,922	(8.0)	**8,193**	8,943	(8.4)
Depreciation and amortization expense	**2,268**	2,230	1.7	**6,722**	6,639	1.3
Total Operating Expenses	**11,112**	11,237	(1.1)	**33,148**	33,575	(1.3)
Operating Income	**$ 1,046**	$ 1,135	(7.8)	**$ 3,149**	$ 3,305	(4.7)
Operating Income Margin	**8.6%**	9.2%		**8.7%**	9.0%	

wireline — selected operating statistics

Unaudited	9/30/08	9/30/07	% Change
Switched access lines in service (000)(2)			
Residence	**21,626**	24,567	(12.0)
Business	**15,192**	15,850	(4.2)
Public	**254**	302	(15.9)
Total	**37,072**	40,719	(9.0)
Wholesale voice connections (000)	**2,466**	2,938	(16.1)
Broadband connections (000)	**8,459**	7,751	9.1

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/08	3 Mos. Ended 9/30/07	% Change	9 Mos. Ended 9/30/08	9 Mos. Ended 9/30/07	% Change
High capacity and digital data revenues (1)	**$ 5,218**	$ 4,554	$ 14.6	**$ 15,080**	$ 13,088	$ 15.2

Footnotes:

The segment financial results above are adjusted to exclude the effects of special and non-recurring items. The company's chief decision makers exclude these items in assessing business unit performance, primarily due to their non-operational nature.

Intersegment transactions have not been eliminated.

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

(2) Prior period amounts adjusted to reflect current period reporting methodologies.

* Not meaningful

verizon wireless — selected financial results

(dollars in millions)

Unaudited	**3 Mos. Ended 9/30/08**	3 Mos. Ended 9/30/07	% Change	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07	% Change
Revenues						
Service revenues	**$ 10,935**	$ 9,749	12.2	**$ 31,572**	$ 28,142	12.2
Equipment and other	**1,764**	1,540	14.5	**4,914**	4,297	14.4
Total Revenues	**12,699**	11,289	12.5	**36,486**	32,439	12.5
Operating Expenses						
Cost of services and sales	**4,178**	3,551	17.7	**11,507**	9,843	16.9
Selling, general & administrative expense	**3,689**	3,385	9.0	**10,806**	9,956	8.5
Depreciation and amortization expense	**1,366**	1,299	5.2	**3,989**	3,848	3.7
Total Operating Expenses	**9,233**	8,235	12.1	**26,302**	23,647	11.2
Operating Income	**$ 3,466**	$ 3,054	13.5	**$ 10,184**	$ 8,792	15.8
Operating Income Margin	**27.3%**	27.1%		**27.9%**	27.1%	

verizon wireless — selected operating statistics

Unaudited	**9/30/08**	9/30/07	% Change
Total Customers (000)	**70,808**	63,699	11.2
Retail Customers (000)	**68,807**	61,840	11.3

Unaudited	**3 Mos. Ended 9/30/08**	3 Mos. Ended 9/30/07	% Change	**9 Mos. Ended 9/30/08**	9 Mos. Ended 9/30/07	% Change
Total Customer net adds in period(1) (000)	**2,127**	1,645	29.3	**5,101**	4,647	9.8
Retail Customer net adds in period(2) (000)	**2,127**	1,760	20.9	**5,072**	5,028	0.9
Total churn rate	**1.33%**	1.27%		**1.21%**	1.22%	
Retail churn rate	**1.32%**	1.21%		**1.20%**	1.12%	

Footnotes:

The segment financial results above are adjusted to exclude the effects of special and non-recurring items. The company's chief decision makers exclude these items in assessing business unit performance, primarily due to their non-operational nature.

Intersegment transactions have not been eliminated.

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

(1) Includes acquisitions and adjustments of 7,000 and 2,000 customers in the first and third quarter of 2007, respectively; and 46,000 and 646,000 in the second and third quarter of 2008, respectively.

(2) Includes acquisitions and adjustments of 7,000 and 2,000 customers in the first and third quarter of 2007, respectively; and 46,000 and 627,000 in the second and third quarter of 2008, respectively.

News Items

Next-Generation Home Gateways Will Leverage Verizon FiOS Capacities, Enable Dynamic Networked Services Inside the Home

Jul 23, 2008 Deployment of New Actiontec and Westell Routers Will Boost Total Home Download Speeds to Up to 175 Megabits per Second, Enable Multiple Wi-Fi Networks, Simplify In-Home Connectivity, and Support Future Value-Added Applications. In a move that will make the FiOS experience even better and more exciting for residential customers, Verizon is upgrading the capabilities of its in-home network equipment to provide more capacity, higher speeds and many other benefits.

Verizon Wireless Completes Purchase of Rural Cellular

Aug 07, 2008 Verizon Wireless, a joint venture of Verizon Communications (NYSE: VZ) and Vodafone (NYSE and LSE: VOD), announced it has completed its purchase of Rural Cellular Corporation, doing business as Unicel, for $2.66 billion in cash and assumed debt. The acquisition will expand Verizon Wireless' network coverage to many rural markets around the country and increases the company's customers by more than 625,000.

Verizon Technology Chief Urges Sound Policy and Industry Cooperation to Continue High Innovation

Aug 19, 2008 The information and communications sectors are experiencing one of the greatest periods of innovation in their history, as entrepreneurs compete to provide consumers with increased speed, mobility and content over broadband networks. But, according to the Verizon's Chief Technology Officer, Dick Lynch, future breakthroughs will also depend upon appropriate public policy, as well as cooperative industry efforts to set standards.

Verizon Communications Raises Quarterly Dividend 7 Percent to 46 Cents per Share

Sep 04, 2008 (NYSE: VZ) The Board of Directors of Verizon Communications Inc. declared a quarterly dividend of 46 cents per outstanding share, an increase of 3 cents per share, or 7.0 percent, from the previous quarter. On an annual basis, this increases Verizon's dividend 12 cents per share, from $1.72 to $1.84 per share. The quarterly dividend is payable on Nov. 3, 2008, to Verizon Communications shareowners of record at the close of business on Oct. 10, 2008.

"This dividend increase is a sign of Verizon's continuing ability to deliver value to shareowners while making network investments that will provide opportunities for revenue and earnings growth," said Ivan Seidenberg, Verizon chairman and chief executive officer.

No Contract Required — New Month-To-Month Agreement Gives Verizon Wireless Customers Even More Freedom

Sep 22, 2008 Verizon Wireless customers who want to enjoy the best customer experience in wireless, but don't want to sign a one- or two-year customer agreement have a month-to-month option. The new Month-to-Month agreement is an extension of the company's overall commitment to delivering its customers quality products and services over the nation's most reliable wireless network, while providing the industry's best customer service.

Verizon Wireless' new Month-to-Month agreement gives customers the freedom to purchase new devices at full-retail price, or use their own CDMA devices without the commitment of a one- or two-year contract. Additionally customers can terminate their agreement at the end of any month without paying an Early Termination Fee.

Verizon and Nokia Siemens Networks Set New Record for 100 Gbps Optical Transmission

Sep 25, 2008 Verizon and Nokia Siemens Networks have taken a step closer to being able to transmit commercial traffic at a speed of 100 gigabits per second (Gbps). The two companies carried out a successful 100 Gbps transmission on a single wavelength for more than 1,040 kilometers over field fiber, setting a new distance record and demonstrating better performance than conventional transmission.

The field trial, conducted on optical fiber on the Verizon network in Dallas, successfully proved that 100 Gbps signals can be simultaneously transported with 10 Gbps and 40 Gbps signals on the same system with superior results by using advanced optical techniques.

Verizon Business Plays Key Role to Deliver Trans-Pacific Express Submarine Cable Network to Industry

Sep 30, 2008 As a founding member of the Trans-Pacific Express Cable Consortium, Verizon Business has played a key role during the last two years in helping to design, engineer, build and prepare the 18,000 kilometer (11,000 mile) Trans-Pacific Express cable network, which is now ready for service. The TPE cable connects the United States to mainland China, South Korea and Taiwan.

Teaming up with five other founding TPE Consortium members – China Telecom, China, Netcom, China Unicom, Korea Telecom and Chunghwa Telecom (Taiwan) – Verizon Business helped select the network route, coordinate the engineering and design, and became the U.S. landing party by selecting Nedonna Beach, Oregon, as the U.S. landing site for the submarine cable. Verizon Business also plays a critical role managing the TPE network operations center in the U.S.

investor.verizon.com/stockinfo

Search Investor

Site Map

- Investor Relations
- Company Profile
- Business Units
- Corporate Governance
- Financial Performance
- Fixed Income
- Stock Information
- Overview
- Stock Splits
- Stock Price History
- Dividend History
- SEC Filings
- Shareowners Info
- Stock Transfer Agent
- Investor News
- WorldCom Information
- Investor Contacts

VzMail

E-mail Address

Password

Forgot your password?
Sign up for VZMail!

Vz Financial Express > | **Order Literature**

Verizon Reports Double-Digit Earnings Growth, Strong Operating Cash Flows, Sales Gains in All Key Areas in 2Q

Review Q2 2008 Financials

> Presentation (PDF 242 KB)

> Quarterly Bulletin (PDF 1.5 MB)

> Supplemental Schedule (Excel, 68 KB)

> Non-GAAP Reconciliation (Excel 65 KB)

> 2006-2Q 2008 Financials Effective July 28, 2008 (Excel, 475 KB)

Site Tools

Includes the Telecom Glossary and the download tools you'll need to view all investor documents.

Overview

Verizon Communications began trading on the NYSE with the ticker symbol VZ on July 3, 2000. This interactive tool lets you view the current stock price or create your own historical stock price graph.

Stock Splits

This chart shows the stock split history of Bell Atlantic, GTE, and NYNEX, including record date and effective date.

Stock Price History

This drop-down menu lets you select a date for the stock price history of Verizon, GTE, NYNEX, Bell Atlantic and MCI. Results include close, high, low, and volume.

Dividend History

These charts show the dividend history, including date and per-share payment, for Verizon, GTE, NYNEX and MCI.

Investor Quarterly is a publication of the Investor Relations staff.

Ronald Lataille, Senior Vice President
908.559.1855
ronald.h.lataille@verizon.com

Kevin Tarrant, Executive Director
908.559.6029
kevin.r.tarrant@verizon.com

David Janazzo, Executive Director
908.559.1067
david.janazzo@verizon.com

John Adams, Manager
908.559.6033
john.d.adams@verizon.com

Written correspondence should be directed to:

Verizon Communications
Investor Relations
One Verizon Way
Basking Ridge, NJ 07920

Voice Mailbox 212.395.1525

Office Fax 908.630.2651

verizon.com/investor