

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			3 Mos. Ended 9/30/08 Before Special Items
		Merger Integration Costs		Severance, Pension and Benefit Charges	
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				3 Mos. Ended 9/30/07 Before Special Items
		Merger Integration Costs	Access Line Spin-Off Related Charges	International Taxes	Impact of Divested Operations	
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				9 Mos. Ended 9/30/08 Before Special Items
		Merger Integration Costs	Access Line Spin-Off Related Charges	Impact of Divested Operations	Severance, Pension and Benefit Charges	
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						9 Mos. Ended 9/30/07 Before Special Items
		Merger Integration Costs	Sale of Puerto Rico, Net	Loss on CANTV	Access Line Spin-Off Related Charges	International Taxes	Impact of Divested Operations	
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

Unaudited	9/30/08	12/31/07	(dollars in millions) \$ 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.