



2Q

INVESTOR QUARTERLY
SECOND QUARTER

2012

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Second Quarter 2012 Highlights

Consolidated

- > 64 cents in diluted earnings per share (EPS), compared with 57 cents per share in 2Q 2011 — a 12.3 percent increase.
- > \$9.3 billion in cash flow from operating activities, up 20.1 percent compared with 2Q 2011, leading to \$7.8 billion in free cash flow (non-GAAP) in 1H 2012, more than doubling free cash flow generated in 1H 2011.

Wireless

- > 7.3 percent year-over-year increase in service revenues in 2Q 2012; 8.6 percent year-over-year increase in retail service revenues; data revenues up 18.5 percent year over year; 30.8 percent operating income margin and 49.0 percent segment EBITDA margin on service revenues (non-GAAP), both record highs.
- > 1.2 million retail net customer additions, excluding acquisitions and adjustments, includes 888,000 retail postpaid net customers; low retail postpaid churn of 0.84 percent; 94.2 million total retail customers; 88.8 million total retail postpaid customers.

Wireline

- > 2.5 percent year-over-year increase in consumer revenues, the highest in several years; ARPU (average revenue per user) now tops \$100 a month, with 65 percent of consumer revenues generated by FiOS.
- > 134,000 FiOS Internet and 120,000 FiOS Video net additions, with continued increased sales penetration for both products; 5.1 million total FiOS Internet and 4.5 million total FiOS Video customers.

NEW YORK — Verizon Communications Inc. (NYSE, Nasdaq: VZ) today reported a second consecutive quarter of double-digit percentage growth in year-over-year earnings results and significant increases in operating cash flow. Verizon Wireless generated record-high margins and strong operational results, and Verizon’s Wireline segment generated continued increases in revenues from FiOS fiber-optic services and strategic business services.

Verizon reported 64 cents in EPS in second-quarter 2012, an increase of 12.3 percent compared with second-quarter 2011 earnings of 57 cents per share. There were no adjustments in either period.

On Track for ‘Solid Double-Digit Earnings Growth’ in 2012

“Verizon delivered another strong quarter of earnings growth and cash generation, and we remain on track to meet our financial objectives and produce solid double-digit earnings growth for the year,” said Lowell McAdam, Verizon chairman and CEO. “Verizon Wireless has once again demonstrated its industry leadership, combining strong revenue growth with record margins and high customer loyalty. We reported sequential improvement in second-quarter Wireline margins, and we expect to see that improving trend carry through the second half of the year. We also look forward to the closing of strategic transactions and to the integration of process improvements that will set the stage for continued long-term profitable growth across all our business units.”

Consolidated Results: Strong Gains in Cash Flow

In second-quarter 2012, Verizon’s total operating revenues were \$28.6 billion on a consolidated basis, an increase of 3.7 percent compared with second-quarter 2011. Consolidated operating income was \$5.7 billion in second-quarter 2012, compared with \$4.9 billion in second-quarter 2011. Consolidated EBITDA (non-GAAP, earnings before interest, taxes, depreciation and amortization) totaled \$9.8 billion in second-quarter 2012, compared with \$9.0 billion in second-quarter 2011.

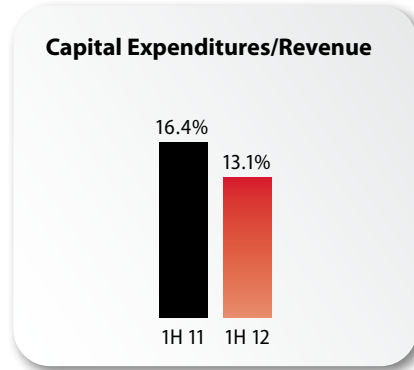
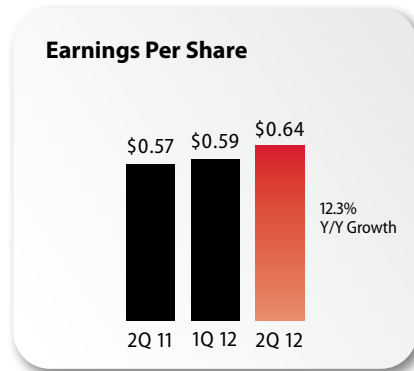
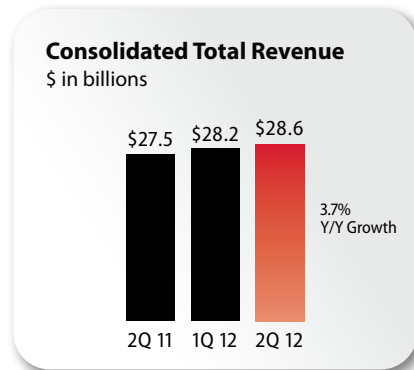
Cash flow from operating activities totaled \$15.3 billion in first-half 2012, compared with \$12.8 billion in first-half 2011. In second-quarter 2012 alone, cash flow from operating activities totaled \$9.3 billion, a 20.1 percent increase compared with second-quarter 2011.

With capital expenditures of \$7.4 billion in first-half 2012, free cash flow (non-GAAP, cash flow from operations less capex) was \$7.8 billion in first-half 2012, compared with \$3.9 billion in first-half 2011.

For full-year 2012, capital expenditures are expected to be flat to down compared with 2011 capital expenditures of \$16.2 billion.

Verizon Wireless Results: Record Profitability, Strong Operational Metrics

In second-quarter 2012, Verizon Wireless delivered strong growth in revenues and retail customers; an increase in smartphone penetration; record-high retail postpaid ARPU; and the highest segment EBITDA margin on service revenues (non-GAAP) in the company’s history.



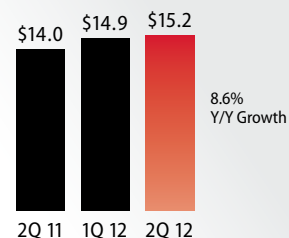
Wireless Financial Highlights

- Service revenues in the quarter totaled \$15.8 billion, up 7.3 percent year over year. Retail service revenues grew 8.6 percent year over year, to \$15.2 billion.
- Data revenues were \$6.9 billion, up \$1.1 billion—or 18.5 percent—year over year, and represent 43.6 percent of all service revenues. Total revenues were \$18.6 billion, up 7.4 percent year over year.
- Retail postpaid ARPU grew 3.7 percent over second-quarter 2011, to a record \$56.13, the highest growth in three years. Retail postpaid data ARPU increased to \$24.53, up 15.4 percent year over year. Retail service ARPU grew 3.4 percent year over year, to a record \$54.29.
- Wireless operating income margin was 30.8 percent and segment EBITDA margin on service revenues (non-GAAP) was 49.0 percent, both record highs.

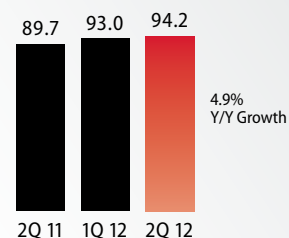
Wireless Operational Highlights

- Verizon Wireless added 1.2 million retail net customers in the second quarter, including 888,000 retail postpaid net customers. These additions exclude acquisitions and adjustments.
- At the end of the second quarter, the company had 94.2 million retail customers, a 4.9 percent increase year over year, including 88.8 million retail postpaid customers.
- At the end of the second quarter, smartphones constituted 50 percent of Verizon Wireless' retail postpaid customer phone base, up from 47 percent at the end of first-quarter 2012.
- Retail postpaid churn was 0.84 percent, the lowest in four years, and an improvement of 5 basis points year over year. Total retail churn was 1.11 percent, an improvement of 11 basis points year over year.
- Verizon Wireless continued to roll out its 4G LTE mobile broadband network, the largest such network in the U.S. As of today, Verizon Wireless 4G LTE service is available to more than 230 million people in 337 markets across the U.S.—nearly 75 percent of the population.
- The company introduced two new 4G LTE Internet devices in second-quarter 2012: the Verizon Jetpack 4G LTE Mobile Hotspot 890L and the Verizon Jetpack 4G LTE Mobile Hotspot MiFi 4620L. Earlier this month, Verizon Wireless launched the Droid Incredible 4G LTE by HTC and the Samsung Galaxy S III.
- Verizon Wireless launched its ShareEverything Plan on June 28, offering customers unlimited voice minutes, unlimited text, video and picture messaging, and a shareable data allowance for up to 10 Verizon Wireless devices. In the second quarter, HomeFusion Broadband, a service that provides high-speed in-home Internet access, became available nationwide.
- In late June, Verizon Wireless announced an agreement with a subsidiary of T-Mobile USA Inc. to exchange spectrum in the AWS band in specific markets to meet LTE capacity needs and enable LTE expansion. This agreement is contingent on the expected summer closing of Verizon's proposed spectrum transactions with SpectrumCo, Cox and Leap.

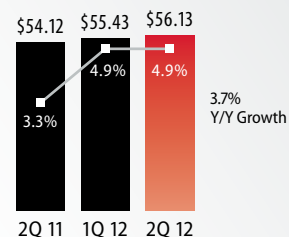
Wireless Retail Service Revenue \$ in billions



Wireless Retail Connections millions

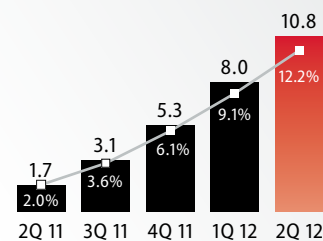


Wireless Retail Postpaid ARPU



□ Y/Y Phone ARPU Growth

4G LTE Devices millions



□ Percent of Retail Postpaid Connections

Wireline Results: FiOS Sales Help Grow Consumer Revenue

In second-quarter 2012 in the Wireline segment, revenue growth for FiOS led to overall revenue growth among U.S. consumer customers. Increased sales of strategic services helped mitigate lower revenues resulting from global economic impacts, including the adverse effects of foreign exchange rates compared with last year.

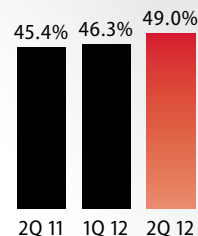
Wireline Financial Highlights

- > Second-quarter 2012 operating revenues were \$9.9 billion, a decline of 3.1 percent compared with second-quarter 2011. Wireline operating income margin was 1.9 percent, compared with 1.6 percent in first-quarter 2012 and 3.1 percent in second-quarter 2011. Segment EBITDA margin (non-GAAP) was 23.1 percent in second-quarter 2012, compared with 22.6 percent in first-quarter 2012 and 23.8 percent in second-quarter 2011.
- > Consumer revenues grew 2.5 percent compared with second-quarter 2011, the highest increase in several years. Consumer ARPU for wireline services reached more than \$100 for the first time, increasing to \$100.26 in second-quarter 2012, up 8.5 percent compared with second-quarter 2011.
- > ARPU for FiOS customers increased to more than \$149 in second-quarter 2012. FiOS services produced 65 percent of consumer wireline revenues in second-quarter 2012. Approximately 70 percent of FiOS consumer customers have purchased a “triple play” of phone, Internet and TV services.
- > Global enterprise revenues totaled \$3.8 billion in the quarter, down 3.4 percent compared with second-quarter 2011. Sales of strategic services increased 4.4 percent compared with second-quarter 2011 and represented 52 percent of global enterprise revenues in second-quarter 2012. Strategic services include Terremark cloud services, security and IT solutions, and strategic networking.

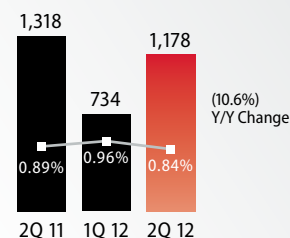
Wireline Operational Highlights

- > Verizon added 134,000 net new FiOS Internet connections and 120,000 net new FiOS Video connections in second-quarter 2012. Verizon had a total of 5.1 million FiOS Internet and 4.5 million FiOS Video connections at the end of the quarter.
- > FiOS penetration (subscribers as a percentage of potential subscribers) continued to increase. FiOS Internet penetration was 36.6 percent at the end of second-quarter 2012, compared with 33.9 percent at the end of second-quarter 2011. In the same periods, FiOS Video penetration was 32.6 percent, compared with 29.9 percent. The FiOS network now passes more than 17 million premises.
- > Broadband connections totaled 8.8 million at the end of second-quarter 2012, a 2.6 percent year-over-year increase.
- > Verizon launched several network projects during the second quarter, including deployment of next-generation routing equipment on the global Private IP network to meet growth demands, improve scalability and support 10 gigabit customer access ports and 40G and 100G backbone trunk ports; and a long-term core network architecture project for a common multi-protocol label switching (MPLS) backbone platform that will support current and future service demands.
- > The company also launched its first major initiative to build additional control plane technology into its network infrastructure. This will allow Verizon to deliver on the

Wireless Service EBITDA Margin

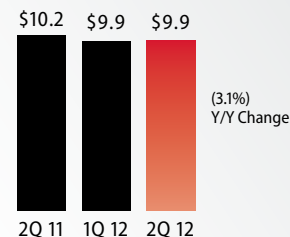


Wireless Retail Net Adds*
thousands

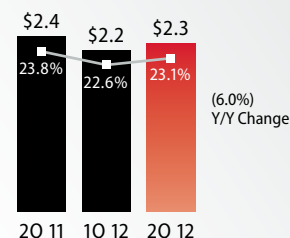


□ Retail Postpaid Churn
* Excludes acquisitions and adjustments

Wireline Total Revenue
\$ in billions



Wireline Segment EBITDA
\$ in billions



□ EBITDA Margin %

promise of cloud-based and mobility-enabled industry solutions, as well as enable rapid and automated recovery of complex optical mesh networks.

Verizon Enterprise Solutions Highlights

Verizon Enterprise Solutions continued to expand and enhance its capabilities in the U.S. and abroad. In second-quarter 2012, Verizon announced an agreement to acquire Hughes Telematics Inc. This will expand Verizon’s machine-to-machine and telematics capabilities and accelerate revenue growth across key vertical segments of Verizon Enterprise Solutions, including automotive and transportation, energy, health care and manufacturing. The transaction is expected to close in the third quarter.

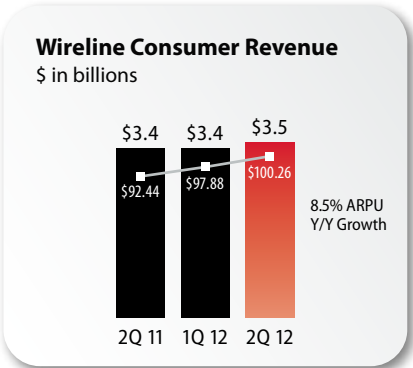
Verizon Enterprise Solutions is a global sales and marketing organization that harnesses all of Verizon’s cloud, mobility and other platforms to serve the rapidly transforming enterprise market with integrated solutions. Among other second-quarter highlights:

- > Affirmative Insurance; Lane Bryant and Catherine Shops; Lifetouch; NetApp; Shaw Industries Group Inc., a subsidiary of Berkshire Hathaway Inc.; Royal Caribbean Cruises Ltd.; the Commonwealth of Pennsylvania; and Arlington County, Va., were among the companies and government agencies completing agreements with Verizon for a wide range of strategic services to advance their operations.
- > Verizon extended the reach of the Terremark global cloud platform by deploying additional nodes in its London and Denver data centers; expanding its Sao Paulo, Brazil, data center; and launching a new Private Edition of its flagship Enterprise Cloud service.

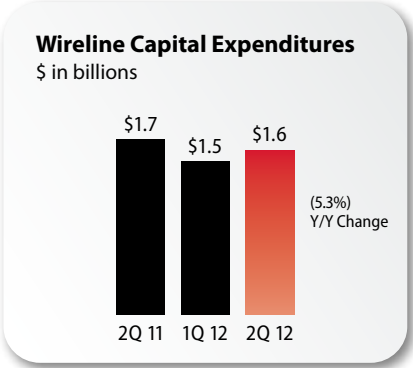
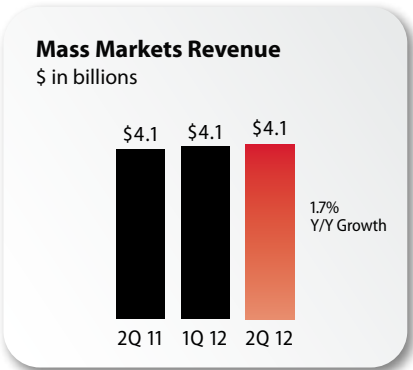
Verizon strengthened its platform capabilities with a new solution that provides access to its global Private IP network service through Verizon’s 4G LTE wireless network.

NOTE: 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 document.

NOTE: This presentation 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: adverse conditions in the U.S. and international economies; competition in our markets; material adverse changes in labor matters, including labor negotiations or additional organizing activity, and any resulting financial and/or operational impact; material changes in available technology; any disruption of our key suppliers’ provisioning of products or services; significant increases in benefit plan costs or lower investment returns on plan assets; breaches of network or information technology security, natural disasters or terrorist attacks or existing or future 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; any changes in the regulatory environments in which we operate, including any increase in restrictions on our ability to operate our networks; the timing, scope and financial impact of our deployment of broadband technology; 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; our ability to complete acquisitions and dispositions; and the inability to implement our business strategies.



□ Consumer ARPU



Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/12	3 Mos. Ended 6/30/11	% Change	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	% Change
Operating Revenues	\$ 28,552	\$ 27,536	3.7	\$ 56,794	\$ 54,526	4.2
Operating Expenses						
Cost of services and sales	10,896	11,158	(2.3)	22,215	22,387	(0.8)
Selling, general and administrative expense	7,877	7,373	6.8	15,577	14,657	6.3
Depreciation and amortization expense	4,128	4,113	0.4	8,156	8,137	0.2
Total Operating Expenses	22,901	22,644	1.1	45,948	45,181	1.7
Operating Income	5,651	4,892	15.5	10,846	9,345	16.1
Equity in earnings of unconsolidated businesses	72	121	(40.5)	175	222	(21.2)
Other income and (expense), net	34	10	*	53	46	15.2
Interest expense	(679)	(717)	(5.3)	(1,364)	(1,426)	(4.3)
Income Before Provision for Income Taxes	5,078	4,306	17.9	9,710	8,187	18.6
Provision for income taxes	(793)	(702)	13.0	(1,519)	(1,319)	15.2
Net Income	\$ 4,285	\$ 3,604	18.9	\$ 8,191	\$ 6,868	19.3
Net income attributable to noncontrolling interest	\$ 2,460	\$ 1,995	23.3	\$ 4,680	\$ 3,820	22.5
Net income attributable to Verizon	1,825	1,609	13.4	3,511	3,048	15.2
Net Income	\$ 4,285	\$ 3,604	18.9	\$ 8,191	\$ 6,868	19.3
Basic Earnings per Common Share						
Net income attributable to Verizon	\$.64	\$.57	12.3	\$ 1.23	\$ 1.08	13.9
<i>Weighted average number of common shares (in millions)</i>	2,849	2,832		2,846	2,831	
Diluted Earnings per Common Share⁽¹⁾						
Net income attributable to Verizon	\$.64	\$.57	12.3	\$ 1.23	\$ 1.07	15.0
<i>Weighted average number of common shares — assuming dilution (in millions)</i>	2,858	2,838		2,854	2,837	

Footnotes:

(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.

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

* Not meaningful

Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	6/30/12	12/31/11	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 10,001	\$ 13,362	\$ (3,361)
Short-term investments	777	592	185
Accounts receivable, net	11,595	11,776	(181)
Inventories	856	940	(84)
Prepaid expenses and other	3,901	4,269	(368)
Total current assets	27,130	30,939	(3,809)
Plant, property and equipment	217,739	215,626	2,113
Less accumulated depreciation	129,844	127,192	2,652
	87,895	88,434	(539)
Investments in unconsolidated businesses	3,539	3,448	91
Wireless licenses	73,303	73,250	53
Goodwill	23,478	23,357	121
Other intangible assets, net	5,726	5,878	(152)
Other assets	5,001	5,155	(154)
Total Assets	\$ 226,072	\$ 230,461	\$ (4,389)
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 5,912	\$ 4,849	\$ 1,063
Accounts payable and accrued liabilities	13,973	14,689	(716)
Other	6,468	11,223	(4,755)
Total current liabilities	26,353	30,761	(4,408)
Long-term debt	46,479	50,303	(3,824)
Employee benefit obligations	31,909	32,957	(1,048)
Deferred income taxes	25,649	25,060	589
Other liabilities	5,254	5,472	(218)
Equity			
Common stock	297	297	-
Contributed capital	37,932	37,919	13
Reinvested earnings	1,845	1,179	666
Accumulated other comprehensive income	1,147	1,269	(122)
Common stock in treasury, at cost	(4,438)	(5,002)	564
Deferred compensation — employee stock ownership plans and other	367	308	59
Noncontrolling interest	53,278	49,938	3,340
Total equity	90,428	85,908	4,520
Total Liabilities and Equity	\$ 226,072	\$ 230,461	\$ (4,389)

Verizon — Selected Financial and Operating Statistics

Unaudited	6/30/12	12/31/11
Total debt (in millions)	\$ 52,391	\$ 55,152
Net debt (in millions)	\$ 42,390	\$ 41,790
Net debt / Adjusted EBITDA ⁽¹⁾	1.2x	1.2x
Common shares outstanding end of period (in millions)	2,849	2,834
Total employees	188,200	193,900
Quarterly cash dividends declared per common share	\$ 0.50	\$ 0.50

Footnotes:

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

The unaudited condensed consolidated balance sheets are based on preliminary information.

Condensed Consolidated Statements of Cash Flows

(dollars in millions)

Unaudited	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	\$ Change
Cash Flows From Operating Activities			
Net Income	\$ 8,191	\$ 6,868	\$ 1,323
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	8,156	8,137	19
Employee retirement benefits	751	726	25
Deferred income taxes	1,237	1,501	(264)
Provision for uncollectible accounts	521	498	23
Equity in earnings of unconsolidated businesses, net of dividends received	(149)	(195)	46
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(1,136)	(2,361)	1,225
Other, net	(2,300)	(2,382)	82
Net cash provided by operating activities	15,271	12,792	2,479
Cash Flows From Investing Activities			
Capital expenditures (including capitalized software)	(7,430)	(8,918)	1,488
Acquisitions of licenses, investments and businesses, net of cash acquired	(242)	(1,668)	1,426
Net change in short-term investments	21	47	(26)
Other, net	67	667	(600)
Net cash used in investing activities	(7,584)	(9,872)	2,288
Cash Flows From Financing Activities			
Proceeds from long-term borrowings	—	6,440	(6,440)
Repayments of long-term borrowings and capital lease obligations	(1,891)	(7,356)	5,465
Increase (decrease) in short-term obligations, excluding current maturities	(887)	1,012	(1,899)
Dividends paid	(2,587)	(2,759)	172
Proceeds from sale of common stock	210	122	88
Special distribution to noncontrolling interest	(4,500)	—	(4,500)
Other, net	(1,393)	(807)	(586)
Net cash used in financing activities	(11,048)	(3,348)	(7,700)
Decrease in cash and cash equivalents	(3,361)	(428)	(2,933)
Cash and cash equivalents, beginning of period	13,362	6,668	6,694
Cash and cash equivalents, end of period	\$ 10,001	\$ 6,240	\$ 3,761

Verizon Wireless — Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/12	3 Mos. Ended 6/30/11	% Change	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	% Change
Operating Revenues						
Retail service	\$ 15,230	\$ 14,019	8.6	\$ 30,116	\$ 27,693	8.7
Other service	546	688	(20.6)	1,070	1,325	(19.2)
Service	15,776	14,707	7.3	31,186	29,018	7.5
Equipment	1,768	1,753	0.9	3,606	3,442	4.8
Other	1,033	833	24.0	2,058	1,714	20.1
Total Operating Revenues	18,577	17,293	7.4	36,850	34,174	7.8
Operating Expenses						
Cost of services and sales	5,558	5,829	(4.6)	11,468	11,709	(2.1)
Selling, general and administrative expense	5,295	4,794	10.5	10,523	9,545	10.2
Depreciation and amortization expense	2,011	1,978	1.7	3,929	3,877	1.3
Total Operating Expenses	12,864	12,601	2.1	25,920	25,131	3.1
Operating Income	\$ 5,713	\$ 4,692	21.8	\$ 10,930	\$ 9,043	20.9
Operating Income Margin	30.8%	27.1%		29.7%	26.5%	
Segment EBITDA	\$ 7,724	\$ 6,670	15.8	\$ 14,859	\$ 12,920	15.0
Segment EBITDA Service Margin	49.0%	45.4%		47.6%	44.5%	

Footnotes:

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

Intersegment transactions have not been eliminated.

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

Verizon Wireless — Selected Operating Statistics

Unaudited	6/30/12	6/30/11	% Change			
Connections ('000)						
Retail postpaid	88,838	85,290	4.2			
Retail prepaid	5,316	4,445	19.6			
Retail	94,154	89,735	4.9			
Unaudited	3 Mos. Ended 6/30/12	3 Mos. Ended 6/30/11	% Change	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	% Change
Net Add Detail ('000)⁽¹⁾						
Retail postpaid	888	1,257	(29.4)	1,389	2,163	(35.8)
Retail prepaid	290	61	*	523	34	*
Retail	1,178	1,318	(10.6)	1,912	2,197	(13.0)
Churn Detail						
Retail postpaid	0.84%	0.89%		0.90%	0.95%	
Retail	1.11%	1.22%		1.18%	1.28%	
Revenue and ARPU Statistics						
Total data revenues (in millions)	\$ 6,885	\$ 5,810	18.5	\$ 13,493	\$ 11,268	19.7
Retail postpaid data ARPU	\$ 24.53	\$ 21.26	15.4	\$ 24.16	\$ 20.89	15.7
Total data as a % of service revenues	43.6%	39.5%		43.3%	38.8%	
Retail service ARPU	\$ 54.29	\$ 52.49	3.4	\$ 53.98	\$ 52.18	3.4
Retail postpaid ARPU	\$ 56.13	\$ 54.12	3.7	\$ 55.78	\$ 53.82	3.6
Retail Postpaid Connection Statistics						
Total Smartphone postpaid % of phones sold	73.0%	59.5%		72.7%	59.7%	
Total Smartphone postpaid phone base				49.7%	35.9%	
Total Internet postpaid base				8.5%	7.5%	
Other Operating Statistics						
Capital expenditures (in millions)	\$ 2,048	\$ 2,667	(23.2)	\$ 3,933	\$ 5,402	(27.2)

Footnotes:

(1) Connection net additions exclude acquisitions and adjustments.

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

Intersegment transactions have not been eliminated.

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

* Not meaningful

Wireline— Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/12	3 Mos. Ended 6/30/11	% Change	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	% Change
Operating Revenues						
Consumer retail	\$ 3,478	\$ 3,394	2.5	\$ 6,919	\$ 6,777	2.1
Small business	667	682	(2.2)	1,329	1,377	(3.5)
Mass Markets	4,145	4,076	1.7	8,248	8,154	1.2
Strategic services	1,983	1,900	4.4	3,952	3,665	7.8
Core	1,837	2,056	(10.7)	3,720	4,107	(9.4)
Global Enterprise	3,820	3,956	(3.4)	7,672	7,772	(1.3)
Global Wholesale	1,827	2,030	(10.0)	3,688	4,072	(9.4)
Other	139	185	(24.9)	268	396	(32.3)
Total Operating Revenues	9,931	10,247	(3.1)	19,876	20,394	(2.5)
Operating Expenses						
Cost of services and sales	5,500	5,504	(0.1)	11,072	10,966	1.0
Selling, general and administrative expense	2,141	2,308	(7.2)	4,267	4,598	(7.2)
Depreciation and amortization expense	2,102	2,117	(0.7)	4,192	4,224	(0.8)
Total Operating Expenses	9,743	9,929	(1.9)	19,531	19,788	(1.3)
Operating Income	\$ 188	\$ 318	(40.9)	\$ 345	\$ 606	(43.1)
Operating Income Margin	1.9%	3.1%		1.7%	3.0%	
Segment EBITDA	\$ 2,290	\$ 2,435	(6.0)	\$ 4,537	\$ 4,830	(6.1)
Segment EBITDA Margin	23.1%	23.8%		22.8%	23.7%	

Footnotes:

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

Intersegment transactions have not been eliminated.

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

Wireline — Selected Operating Statistics

Unaudited	6/30/12	6/30/11	% Change
Connections ('000)			
FiOS Video Subscribers	4,473	3,848	16.2
FiOS Internet Subscribers	5,144	4,478	14.9
FiOS Digital Voice residence connections	2,648	1,195	*
FiOS Digital connections	12,265	9,521	28.8
HSI	3,632	4,074	(10.8)
Total Broadband connections	8,776	8,552	2.6
Primary residence switched access connections	8,843	10,946	(19.2)
Primary residence connections	11,491	12,141	(5.4)
Total retail residence voice connections	12,222	13,087	(6.6)
Total voice connections	23,278	24,997	(6.9)

Unaudited	3 Mos. Ended 6/30/12	3 Mos. Ended 6/30/11	% Change	6 Mos. Ended 6/30/12	6 Mos. Ended 6/30/11	% Change
Net Add Detail ('000)						
FiOS Video Subscribers	120	184	(34.8)	300	376	(20.2)
FiOS Internet Subscribers	134	189	(29.1)	327	396	(17.4)
FiOS Digital Voice residence connections	350	218	60.6	764	378	*
FiOS Digital connections	604	591	2.2	1,391	1,150	21.0
HSI	(132)	(127)	3.9	(221)	(236)	(6.4)
Total Broadband connections	2	62	(96.8)	106	160	(33.8)
Primary residence switched access connections	(501)	(413)	21.3	(1,063)	(811)	31.1
Primary residence connections	(151)	(195)	(22.6)	(299)	(433)	(30.9)
Total retail residence voice connections	(199)	(240)	(17.1)	(404)	(529)	(23.6)
Total voice connections	(422)	(457)	(7.7)	(859)	(1,004)	(14.4)
Revenue and ARPU Statistics						
Consumer ARPU	\$ 100.26	\$ 92.44	8.5	\$ 99.70	\$ 91.41	9.1
FiOS revenues (in millions)	\$ 2,380	\$ 2,027	17.4	\$ 4,668	\$ 3,968	17.6
Strategic services as a % of total Enterprise revenues	51.9%	48.0%		51.5%	47.2%	

Other Operating Statistics

Capital expenditures (in millions)	\$ 1,596	\$ 1,685	(5.3)	\$ 3,133	\$ 3,150	(0.5)
Wireline employees ('000)				88.6	93.2	
FiOS Video Open for Sale ('000)				13,721	12,870	
FiOS Video penetration				32.6%	29.9%	
FiOS Internet Open for Sale ('000)				14,044	13,202	
FiOS Internet penetration				36.6%	33.9%	

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.

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

* Not meaningful

2Q News Items

Verizon Communications Reports on Shareholder Vote Results at Annual Meeting

May 03, 2012 Verizon Communications Inc. (NYSE, Nasdaq: VZ) has announced results of the shareholder vote at its annual meeting here today. The company reported that a substantial majority of the shareholders approved the following management proposals:

- Election of each of Verizon's 11 directors standing for election to a one-year term.
- Ratification of the appointment of Ernst & Young as the company's independent registered public accounting firm.
- Approval of the compensation of the company's executive officers as described in the 2012 proxy statement.

In addition, all six shareholder proposals on the ballot were defeated. Vote tallies are considered preliminary until the final results are tabulated and certified by independent election inspectors. The final results are posted on Verizon's website at www.verizon.com/investor.

Verizon to Acquire Hughes Telematics, Inc.

Jun 01, 2012 Verizon Communications Inc. (NYSE, Nasdaq: VZ) and Hughes Telematics, Inc. (OTCBB: HUTC) announced a definitive merger agreement under which Verizon will acquire Hughes Telematics, Inc. (HTI) for \$12.00 per share in cash, or a total of \$612 million.

The transaction will expand Verizon's capabilities in the automotive and fleet telematics marketplace and accelerate growth in key vertical segments, including emerging machine-to-machine (M2M) services applications driven by consumer trends and increasingly connected lifestyles. HTI is a leader in implementing the next generation of connected services for vehicles, centered on a core platform of safety, security, convenience and infotainment offerings. HTI offers a portfolio of services through its commercial fleet, aftermarket and original equipment manufacturer offerings as well products and services for mHealth providers and users.

Verizon Communications Declares Quarterly Dividend

Jun 07, 2012 The Board of Directors of Verizon Communications Inc. declared a quarterly dividend of 50 cents per outstanding share, unchanged from the previous quarter. The dividend is payable on Aug. 1, 2012, to Verizon Communications shareowners of record at the close of business on July 10, 2012.

Verizon Wireless Unveils New Share Everything Plans for Basic Phones, Smartphones, Tablets and More

Jun 12, 2012 Verizon Wireless announced Share Everything Plans that will forever change the way customers purchase wireless services. Share Everything Plans include unlimited voice minutes, unlimited text, video and picture messaging and a single data allowance for up to 10 Verizon Wireless devices. In addition, the Mobile Hotspot service on all the devices is included in the Share Everything Plans at no additional charge.

Verizon to Deploy the Industry's First Eight Terabit Platform in Its Global MPLS Backbone

Jun 12, 2012 Verizon plans to deploy the Juniper Networks® PTX Series in major markets in the U.S. and Europe by the end of this year, giving the company the densest multiprotocol label switching platform available in the industry, with an initial capacity of eight terabits per second.

The initiative is another step in Verizon's network evolution to deliver higher speeds, improved latency, increased capacity and enhanced performance to its customers. This deployment provides an upgrade of the Verizon global IP backbone to 100G Ethernet, supporting customer access speeds of 10G and above and enabling growth for FiOS, wireless and cloud services.

Verizon Combines Insane Internet Speeds With Sensible Value in New FiOS Bundles

Jun 18, 2012 Verizon residential consumers can now order the company's fastest-ever FiOS Internet service, which features heightened flexibility for consumers to order personalized bundles to match their lifestyles.

The new speeds, available in a range of double- and triple-play bundles, plus stand-alone service, offer significant choices for consumers to meet their rapidly expanding needs for online entertainment, news, information communications and e-commerce. These needs have generated a rising demand for faster home broadband service.

"A revolution in speed has arrived," said Bob Mudge, president of Verizon's consumer and mass market business unit. "The new FiOS Internet speed and bundle options provide incredible value, and represent the most significant mass scale, consumer broadband speed enhancement in the nation in the past decade."

The new FiOS Internet tiers containing the highest speeds are named FiOS Quantum and feature download/upload speeds of 50/25, 75/35, 150/65 and 300/65 megabits per second (Mbps). Three of those speeds 75/35, 150/65 and 300/65 — are twice as fast as those previously offered. In addition, Verizon will continue to offer its entry-level speed of 15/5 Mbps.

Verizon Wireless and T-Mobile USA Agree to Transfer Spectrum Holdings

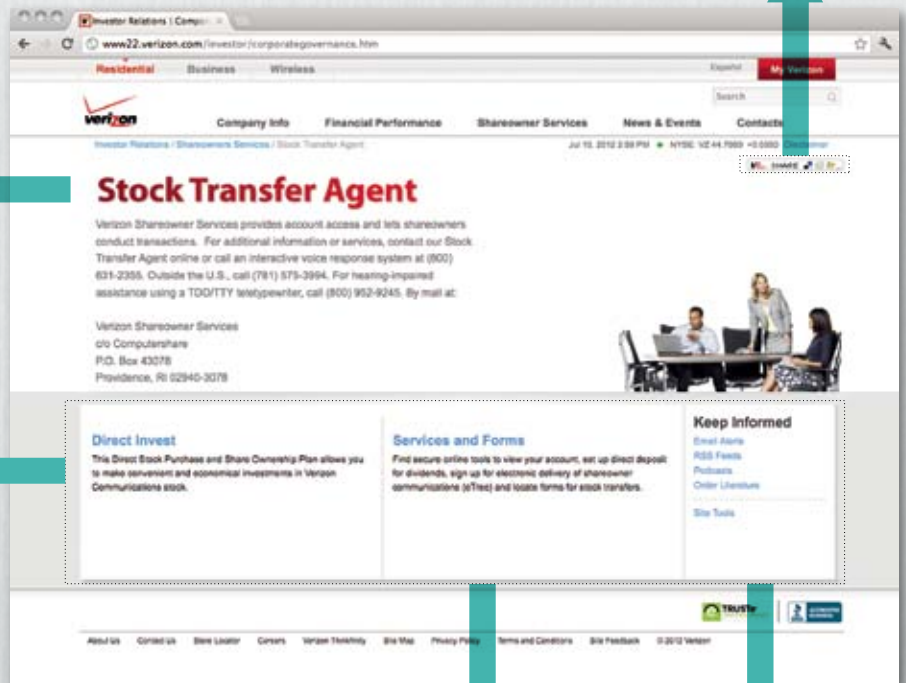
Jun 25, 2012 Verizon Wireless announced an agreement with T-Mobile USA to exchange specific spectrum in the AWS (Advanced Wireless Services) band. Under the agreement, both companies also will receive additional spectrum depth in specific markets to meet LTE (Long Term Evolution) capacity needs and enable LTE expansion. Since this agreement includes spectrum that will be purchased by Verizon Wireless in its transactions with SpectrumCo, Cox and Leap, this agreement is contingent on the closing of those transactions.



Stock Transfer Agent

Verizon Shareowner Services provides account access and lets shareowners conduct transactions. For additional information or services, contact our Stock Transfer Agent online or call an interactive voice response system at (800) 631-2355. Outside the U.S., call (781) 575-3994. For hearing-impaired assistance using a TDD/TTY teletypewriter, call (800) 952-9245. By mail at:

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