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Earnings Release

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Third Quarter 2013 Highlights

Consolidated

- > 78 cents in earnings per share (EPS), including a non-operational net gain of 1 cent per share, compared with 56 cents per share in 3Q 2012.
- > 77 cents in adjusted EPS (non-GAAP), a 20.3 percent increase compared with adjusted EPS of 64 cents per share in 3Q 2012.

Wireless

- > 8.4 percent year-over-year increase in service revenues in 3Q 2013; 8.0 percent increase in retail service revenues; 33.8 percent operating income margin and 51.1 percent segment EBITDA margin on service revenues (non-GAAP).
- > Added 1.1 million net retail connections, including 927,000 net retail postpaid connections; low retail postpaid churn of 0.97 percent; 101.2 million total retail connections, 95.2 million total retail postpaid connections.
- > 4G LTE service now available to more than 303 million people in more than 500 markets across the United States.

Wireline

- > 4.3 percent year-over-year increase in consumer revenues; consumer ARPU (average revenue per user) up 8.7 percent year over year.
- > 173,000 FiOS Internet and 135,000 FiOS Video net additions, with continued increased sales penetration for both services; 56,000 net broadband customer additions.
- > 5.2 percent year-over-year increase in revenues for global enterprise strategic services.

NEW YORK—Verizon Communications Inc. (NYSE, Nasdaq: VZ) today reported year-over-year double-digit percentage growth in operating income and earnings per share for the third consecutive quarter. Third-quarter 2013 results showed continued high customer demand for Verizon Wireless, FiOS and strategic enterprise services.

Lowell McAdam, Verizon chairman and CEO, said: "These strong third-quarter results reflect Verizon's long-term investment in reliable, high-quality networks to deliver value to customers. Our unwavering focus on wireless, FiOS and strategic enterprise services has produced consistent performance, and we've delivered double-digit earnings growth in six of the past seven quarters. Verizon's strategic networks form a powerful distribution platform for future growth and innovation."

Verizon reported 78 cents in EPS in third-quarter 2013, compared with 56 cents per share in third-quarter 2012. Third-quarter 2013 results include a non-operational gain of 2 cents per share related to the sale of wireless spectrum, partially offset by 1 cent per share in incremental interest expense related to the financing of Verizon's planned purchase of Vodafone Group PLC's 45 percent stake in Verizon Wireless.

Adjusted third-quarter 2013 earnings of 77 cents per share increased 20.3 percent, compared with an adjusted 64 cents per share in third-quarter 2012, which excluded 8 cents per share in charges related to patent-litigation settlements.

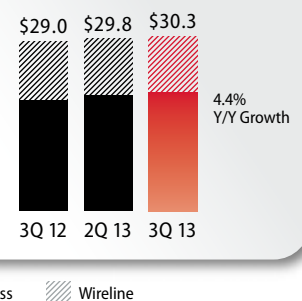
Consolidated Results Highlighted by Revenue and Cash Flow Growth

Verizon's consolidated revenue growth increased for the third consecutive quarter, with 84 percent of third-quarter 2013 revenues generated by Verizon Wireless, FiOS and strategic enterprise services.

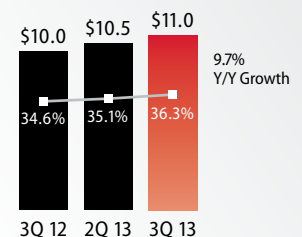
Consolidated Highlights

- > Total operating revenues in third-quarter 2013 were \$30.3 billion, a 4.4 percent increase compared with third-quarter 2012. This is the fourth consecutive quarter of year-over-year revenue growth of more than 4 percent.
- > Operating income increased 30.0 percent, to \$7.1 billion in third-quarter 2013, compared with \$5.5 billion in third-quarter 2012. Operating income margin was 23.5 percent in third-quarter 2013, compared with 18.9 percent in third-quarter 2012.
- > Consolidated EBITDA (non-GAAP, earnings before interest, taxes, depreciation and amortization) grew 16.9 percent year over year, totaling \$11.3 billion in third-quarter 2013. EBITDA margin (non-GAAP) expanded to 37.3 percent in third-quarter 2013, up from 33.3 percent in third-quarter 2012.
- > Cash flow from operating activities totaled \$28.4 billion in the first nine months of 2013, a 14.7 percent increase compared with \$24.8 billion in the first nine months of 2012. Over these same time periods, capital expenditures totaled \$11.8 billion in 2013 and \$11.3 billion in 2012. Verizon estimates that 2013 capital spending will total approximately \$16.6 billion.
- > Free cash flow (non-GAAP, cash flow from operations less capital expenditures) totaled \$16.6 billion in the first nine months of 2013, a 23.3 percent increase compared with \$13.4 billion in the first nine months of 2012.

Consolidated Total Revenue \$ in billions

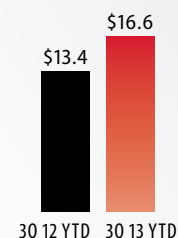


Adjusted EBITDA* \$ in billions



□ EBITDA Margin %
*Excludes non-operational items.

Free Cash Flow \$ in billions



Since early September, Verizon successfully arranged the required permanent financing of the Vodafone transaction, with a \$49 billion debt offering and an agreement for up to \$12 billion in term loans. Also, Verizon's Board of Directors approved a quarterly dividend increase for the seventh consecutive year.

Verizon Wireless: Strong Profitability, and Customer and Revenue Growth

In third-quarter 2013, Verizon Wireless delivered consistently strong growth in retail postpaid net additions and revenues; an increase in smartphone penetration; and continued high segment EBITDA margin on service revenues (non-GAAP).

Wireless Financial Highlights

➤ Total revenues were \$20.4 billion in third-quarter 2013, up 7.2 percent year over year. Service revenues in the quarter totaled \$17.5 billion, up 8.4 percent year over year. Retail service revenues grew 8.0 percent year over year, to \$16.8 billion.

➤ Retail postpaid ARPA (average revenue per account) increased 7.1 percent over third-quarter 2012, to \$155.74 per month.

➤ In third-quarter 2013, wireless operating income margin was 33.8 percent, compared with 31.8 percent in third-quarter 2012. Segment EBITDA margin on service revenues was 51.1 percent, up 110 basis points over third-quarter 2012.

➤ Verizon Wireless is on track to deliver 49 percent to 50 percent segment EBITDA margin on service revenues for the full year. Through the first three quarters of 2013, segment EBITDA margin on service revenues was 50.4 percent, with Verizon Wireless maintaining margins of 49 percent or higher in five of the past six quarters.

Wireless Operational Highlights

➤ Verizon Wireless added 1.1 million net retail connections, including 927,000 retail postpaid net connections, in the third quarter. These additions exclude acquisitions and adjustments. The company expects customer growth to increase sequentially in the fourth quarter.

➤ At the end of the third quarter, the company had 101.2 million retail connections — a 5.5 percent increase year over year — including 95.2 million retail postpaid connections.

➤ Verizon Wireless had 35 million retail postpaid accounts at the end of the third quarter — an average of 2.7 connections per account. Nearly 42 percent of retail postpaid accounts are now on a Share Everything Plan, which allows customers to share data among multiple devices.

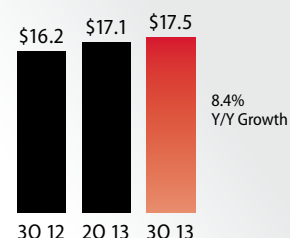
➤ At the end of the third quarter, smartphones accounted for more than 67 percent of the Verizon Wireless retail postpaid customer phone base, up from 64 percent at the end of second-quarter 2013.

➤ Retail postpaid churn was 0.97 percent in the third quarter, up 6 basis points year over year. Retail churn was 1.28 percent in the third quarter, up 10 basis points year over year.

➤ Verizon Wireless has substantially completed deployment of its 4G LTE network, covering more than 99 percent of its current 3G network footprint. The Verizon Wireless 4G LTE network is now available in more than 500 markets to 97 percent of the U.S. population and covers more than 303 million people, including those in areas served by the company's LTE in Rural America partners.

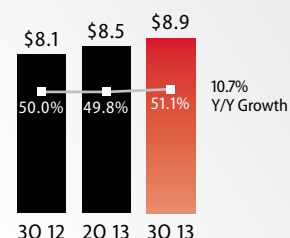
Wireless Service Revenue

\$ in billions



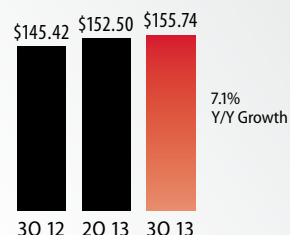
Wireless Segment EBITDA

\$ in billions



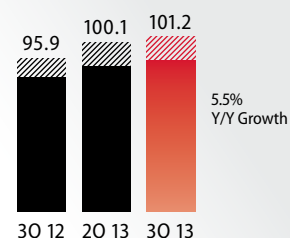
□ EBITDA Service Margin %

Wireless Retail Postpaid ARPA



Wireless Retail Connections

millions



■ Retail Postpaid ▨ Retail Prepaid

> The company continued to enhance its 4G LTE smartphone device lineup. In the third quarter, Verizon Wireless launched the HTC One, the DROID Mini, DROID Ultra and DROID Maxx, and the iPhone 5s and iPhone 5c. The company also launched a 4G LTE Broadband Router with Voice, which can be used to connect landline phones and wireless data devices simultaneously. In early October, the company launched the Samsung Galaxy Note 3.

> In August, Verizon Wireless introduced Verizon EDGE, an innovative device upgrade plan that spreads the retail price of a phone with no contract over 24 months. Customers can upgrade to a new phone after six months if 50 percent of the retail price has been paid.

Wireline Reports Continued Strong Consumer Revenue Growth

Verizon's Wireline segment reported continued strong growth in consumer revenues, driven by continued strong customer demand for FiOS services. The company is on track to achieve net new customer growth targets for FiOS in 2013. In enterprise and wholesale markets, sales of global enterprise strategic services continued to increase, and constitute a larger percentage of the revenue base.

Wireline Financial Highlights

> Consumer revenues were \$3.7 billion, an increase of 4.3 percent compared with third-quarter 2012. Consumer revenues have grown more than 4 percent year over year for five consecutive quarters. Consumer ARPU for wireline services increased to \$112.86 in third-quarter 2013, up 8.7 percent compared with third-quarter 2012.

> FiOS revenues grew 13.4 percent, to \$2.8 billion in third-quarter 2013, compared with \$2.5 billion in third-quarter 2012.

> Wireline operating income margin was 1.6 percent in third-quarter 2013, up 120 basis points over third-quarter 2012. Segment EBITDA margin (non-GAAP) was 22.7 percent, compared with 21.7 percent in third-quarter 2012. Verizon continues to expect that full-year 2013 Wireline EBITDA margin will be similar to 2012 when excluding impacts of Superstorm Sandy from last year's results. The company also continues to target improved Wireline profitability and margin expansion in 2014.

> Sales of strategic services to global enterprise customers increased 5.2 percent compared with third-quarter 2012 and represented 58 percent of total enterprise revenues. Strategic services include cloud and data center services, security and IT solutions, advanced communications, strategic networking and telematics services. Earlier this month, Verizon announced its new cloud services strategy.

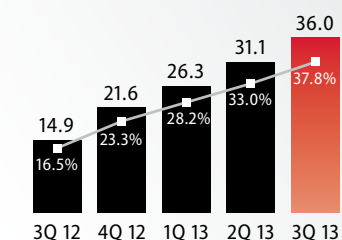
Wireline Operational Highlights

> In third-quarter 2013, Verizon added 173,000 net new FiOS Internet connections, up 27.2 percent from third-quarter 2012 — and 135,000 net new FiOS Video connections, up 13.4 percent. Verizon had a total of 5.9 million FiOS Internet and 5.2 million FiOS Video connections at the end of the quarter, representing year-over-year increases of 12.6 percent for each.

> FiOS penetration (subscribers as a percentage of potential subscribers) continued to increase. FiOS Internet penetration was 39.2 percent at the end of third-quarter 2013, compared with 37.0 percent at the end of third-quarter 2012. In the same periods, FiOS Video penetration was 34.9 percent, compared with 32.9 percent. The FiOS network passed 18.3 million premises by the end of third-quarter 2013.

4G LTE Devices

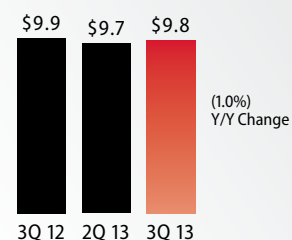
millions



□ Percent of Retail Postpaid Connections

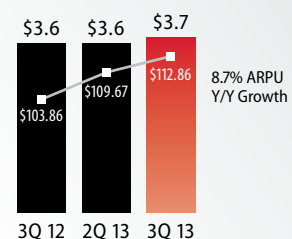
Wireline Total Revenue

\$ in billions



Wireline Consumer Revenue

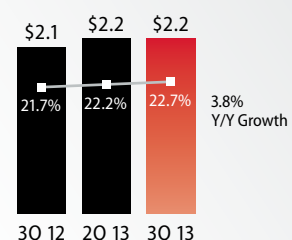
\$ in billions



□ Consumer ARPU

Wireline Segment EBITDA

\$ in billions



□ EBITDA Margin %

➤ Verizon is enriching the FiOS Video customer value proposition by adding free anytime, anywhere mobile access to nine of the most popular TV channels via the FiOS Mobile app (iPad, iPhone, select Android tablets and smartphones, and Kindle Fire HD). Customers who download the app can also buy or rent more than 45,000 on-demand movie and TV show titles from Verizon FlexView. More live TV channels will be added in the coming months.

➤ By the end of third-quarter 2013, more than 40 percent of FiOS Internet customers subscribed to FiOS Quantum, which provides speeds ranging from 50 to 500 megabits per second, up from 35 percent at the end of second-quarter 2013.

➤ Broadband connections totaled nearly 9.0 million at the end of third-quarter 2013, a 2.6 percent year-over-year increase. Overall, net broadband customers increased 56,000 in the third quarter, as FiOS Internet net customer additions more than offset a decline in subscribers for DSL-based High Speed Internet services.

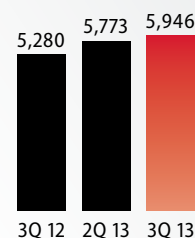
➤ Verizon has been replacing high-maintenance portions of its residential copper network with fiber optics to provide enhanced services and to reduce ongoing repair costs. Through the first nine months of 2013, Verizon migrated nearly 250,000 homes to fiber, on track to exceed a target of 300,000 migrations within FiOS markets in 2013. By year-end 2013, Verizon projects it will have less than 1 million remaining customers served by copper in FiOS markets.

➤ Verizon Enterprise Solutions completed agreements with, and began deploying innovative business technology solutions for, a variety of corporations and organizations around the globe in the quarter, including the American Red Cross, General Electric, Guggenheim Partners, JetBlue, Juniper Networks, Landstar Systems, Royal Caribbean Cruises Ltd., Shangri-La Hotels, Synchronoss Technologies and the U.S. Department of the Interior.

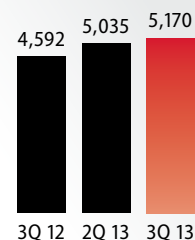
NOTE: See the accompanying schedules and www.verizon.com/investor for reconciliations to generally accepted accounting principles (GAAP) for non-GAAP financial measures cited in this document.

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, along with those discussed in our filings with the Securities and Exchange Commission (the SEC), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the ability to realize the expected benefits of our proposed transaction with Vodafone in the timeframe expected or at all; the ability to complete the Vodafone transaction in the timeframe expected or at all and the costs that could be required to do so; failure to obtain applicable regulatory or shareholder approvals in connection with the Vodafone transaction in a timely manner or at all; failure to satisfy other closing conditions to the Vodafone transaction or events giving rise to termination of the transaction agreement; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of financing; the ability of Verizon to complete the financing of the Vodafone transaction on satisfactory terms; significantly increased levels of indebtedness as a result of the Vodafone transaction; changes in tax laws or treaties, or in their interpretation; adverse conditions in the U.S. and international economies; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; material changes in technology or technology substitution; disruption of our key suppliers' provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; the effects of competition in the markets in which we operate; changes in 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; significant increases in benefit plan costs or lower investment returns on plan assets; and the inability to implement our business strategies.

Total FiOS Internet Subscribers
thousands



Total FiOS Video Subscribers
thousands



Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

| Unaudited | 3 Mos. Ended 9/30/13 | 3 Mos. Ended 9/30/12 | % Change | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | % Change |
|--|-------------------------|-------------------------|----------|-------------------------|-------------------------|----------|
| Operating Revenues | \$ 30,279 | \$ 29,007 | 4.4 | \$ 89,485 | \$ 85,801 | 4.3 |
| Operating Expenses | | | | | | |
| Cost of services and sales | 10,960 | 10,991 | (0.3) | 32,925 | 33,206 | (0.8) |
| Selling, general and administrative expense | 8,037 | 8,366 | (3.9) | 24,232 | 23,943 | 1.2 |
| Depreciation and amortization expense | 4,154 | 4,167 | (0.3) | 12,423 | 12,323 | 0.8 |
| Total Operating Expenses | 23,151 | 23,524 | (1.6) | 69,580 | 69,472 | 0.2 |
| Operating Income | 7,128 | 5,483 | 30.0 | 19,905 | 16,329 | 21.9 |
| Equity in earnings of unconsolidated businesses | 19 | 62 | (69.4) | 134 | 237 | (43.5) |
| Other income, net | 20 | 10 | * | 84 | 63 | 33.3 |
| Interest expense | (555) | (632) | (12.2) | (1,606) | (1,996) | (19.5) |
| Income Before Provision for Income Taxes | 6,612 | 4,923 | 34.3 | 18,517 | 14,633 | 26.5 |
| Provision for income taxes | (1,034) | (631) | 63.9 | (2,886) | (2,150) | 34.2 |
| Net Income | \$ 5,578 | \$ 4,292 | 30.0 | \$ 15,631 | \$ 12,483 | 25.2 |
| Net income attributable to noncontrolling interests | \$ 3,346 | \$ 2,699 | 24.0 | \$ 9,201 | \$ 7,379 | 24.7 |
| Net income attributable to Verizon | 2,232 | 1,593 | 40.1 | 6,430 | 5,104 | 26.0 |
| Net Income | \$ 5,578 | \$ 4,292 | 30.0 | \$ 15,631 | \$ 12,483 | 25.2 |
| Basic Earnings per Common Share | | | | | | |
| Net income attributable to Verizon | \$.78 | \$.56 | 39.3 | \$ 2.24 | \$ 1.79 | 25.1 |
| Weighted average number of common shares (in millions) | 2,866 | 2,857 | | 2,866 | 2,850 | |
| Diluted Earnings per Common Share⁽¹⁾ | | | | | | |
| Net income attributable to Verizon | \$.78 | \$.56 | 39.3 | \$ 2.24 | \$ 1.79 | 25.1 |
| Weighted average number of common shares- assuming dilution (in millions) | 2,874 | 2,866 | | 2,874 | 2,859 | |

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

| Unaudited | 9/30/13 | 12/31/12 | (dollars in millions) \$ Change |
|--|-------------------|-------------------|------------------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 56,710 | \$ 3,093 | \$ 53,617 |
| Short-term investments | 631 | 470 | 161 |
| Accounts receivable, net | 12,111 | 12,576 | (465) |
| Inventories | 1,193 | 1,075 | 118 |
| Prepaid expenses and other | 3,060 | 4,021 | (961) |
| Total current assets | 73,705 | 21,235 | 52,470 |
| Plant, property and equipment | 218,336 | 209,575 | 8,761 |
| Less accumulated depreciation | 129,809 | 120,933 | 8,876 |
| | 88,527 | 88,642 | (115) |
| Investments in unconsolidated businesses | 3,423 | 3,401 | 22 |
| Wireless licenses | 76,503 | 77,744 | (1,241) |
| Goodwill | 24,339 | 24,139 | 200 |
| Other intangible assets, net | 5,732 | 5,933 | (201) |
| Other assets | 4,446 | 4,128 | 318 |
| Total Assets | \$ 276,675 | \$ 225,222 | \$ 51,453 |
| Liabilities and Equity | | | |
| Current liabilities | | | |
| Debt maturing within one year | \$ 8,202 | \$ 4,369 | \$ 3,833 |
| Accounts payable and accrued liabilities | 15,622 | 16,182 | (560) |
| Other | 6,467 | 6,405 | 62 |
| Total current liabilities | 30,291 | 26,956 | 3,335 |
| Long-term debt | 90,938 | 47,618 | 43,320 |
| Employee benefit obligations | 33,738 | 34,346 | (608) |
| Deferred income taxes | 25,821 | 24,677 | 1,144 |
| Other liabilities | 5,622 | 6,092 | (470) |
| Equity | | | |
| Common stock | 297 | 297 | — |
| Contributed capital | 37,918 | 37,990 | (72) |
| Accumulated deficit | (1,768) | (3,734) | 1,966 |
| Accumulated other comprehensive income | 2,118 | 2,235 | (117) |
| Common stock in treasury, at cost | (3,970) | (4,071) | 101 |
| Deferred compensation — employee stock ownership plans and other | 390 | 440 | (50) |
| Noncontrolling interests | 55,280 | 52,376 | 2,904 |
| Total equity | 90,265 | 85,533 | 4,732 |
| Total Liabilities and Equity | \$ 276,675 | \$ 225,222 | \$ 51,453 |

Verizon — Selected Financial and Operating Statistics

| Unaudited | 9/30/13 | 12/31/12 |
|---|-----------|-----------|
| Total debt (in millions) | \$ 99,140 | \$ 51,987 |
| Net debt (in millions) | \$ 42,430 | \$ 48,894 |
| Net debt / Adjusted EBITDA ⁽¹⁾ | 1.1x | 1.3x |
| Common shares outstanding end of period (in millions) | 2,862 | 2,859 |
| Total employees | 178,300 | 183,400 |
| Quarterly cash dividends declared per common share | \$ 0.5300 | \$ 0.5150 |

Footnotes:

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

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

Condensed Consolidated Statements of Cash Flows

(dollars in millions)

| Unaudited | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | \$ Change |
|--|-------------------------|-------------------------|------------------|
| Cash Flows From Operating Activities | | | |
| Net Income | \$ 15,631 | \$ 12,483 | \$ 3,148 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization expense | 12,423 | 12,323 | 100 |
| Employee retirement benefits | 649 | 1,126 | (477) |
| Deferred income taxes | 3,011 | 1,665 | 1,346 |
| Provision for uncollectible accounts | 746 | 709 | 37 |
| Equity in earnings of unconsolidated businesses, net of dividends received | (100) | (197) | 97 |
| Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses | (1,078) | (197) | (881) |
| Other, net | (2,895) | (3,154) | 259 |
| Net cash provided by operating activities | 28,387 | 24,758 | 3,629 |
| Cash Flows From Investing Activities | | | |
| Capital expenditures (including capitalized software) | (11,807) | (11,315) | (492) |
| Acquisitions of investments and businesses, net of cash acquired | (81) | (838) | 757 |
| Acquisitions of wireless licenses | (430) | (3,816) | 3,386 |
| Proceeds from dispositions of wireless licenses | 2,111 | — | 2,111 |
| Net change in short-term investments | (11) | 28 | (39) |
| Other, net | 195 | 516 | (321) |
| Net cash used in investing activities | (10,023) | (15,425) | 5,402 |
| Cash Flows From Financing Activities | | | |
| Proceeds from long-term borrowings | 49,166 | — | 49,166 |
| Repayments of long-term borrowings and capital lease obligations | (2,392) | (2,878) | 486 |
| Increase (decrease) in short-term obligations, excluding current maturities | (324) | 375 | (699) |
| Dividends paid | (4,420) | (3,887) | (533) |
| Proceeds from sale of common stock | 76 | 278 | (202) |
| Purchase of common stock for treasury | (153) | — | (153) |
| Special distribution to noncontrolling interest | (3,150) | (4,500) | 1,350 |
| Other, net | (3,550) | (2,369) | (1,181) |
| Net cash provided by (used in) financing activities | 35,253 | (12,981) | 48,234 |
| Increase (decrease) in cash and cash equivalents | 53,617 | (3,648) | 57,265 |
| Cash and cash equivalents, beginning of period | 3,093 | 13,362 | (10,269) |
| Cash and cash equivalents, end of period | \$ 56,710 | \$ 9,714 | \$ 46,996 |

Verizon Wireless — Selected Financial Results

| (dollars in millions) | | | | | | |
|---|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Unaudited | 3 Mos. Ended 9/30/13 | 3 Mos. Ended 9/30/12 | % Change | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | % Change |
| Operating Revenues | | | | | | |
| Retail service | \$ 16,776 | \$ 15,538 | 8.0 | \$ 49,367 | \$ 45,654 | 8.1 |
| Other service | 740 | 616 | 20.1 | 1,955 | 1,686 | 16.0 |
| Service | 17,516 | 16,154 | 8.4 | 51,322 | 47,340 | 8.4 |
| Equipment | 1,924 | 1,858 | 3.6 | 5,690 | 5,464 | 4.1 |
| Other | 959 | 1,012 | (5.2) | 2,886 | 3,070 | (6.0) |
| Total Operating Revenues | 20,399 | 19,024 | 7.2 | 59,898 | 55,874 | 7.2 |
| Operating Expenses | | | | | | |
| Cost of services and sales | 5,652 | 5,690 | (0.7) | 17,102 | 17,158 | (0.3) |
| Selling, general and administrative expense | 5,801 | 5,250 | 10.5 | 16,915 | 15,773 | 7.2 |
| Depreciation and amortization expense | 2,060 | 2,037 | 1.1 | 6,113 | 5,966 | 2.5 |
| Total Operating Expenses | 13,513 | 12,977 | 4.1 | 40,130 | 38,897 | 3.2 |
| Operating Income | \$ 6,886 | \$ 6,047 | 13.9 | \$ 19,768 | \$ 16,977 | 16.4 |
| Operating Income Margin | 33.8% | 31.8% | | 33.0% | 30.4% | |
| Segment EBITDA | \$ 8,946 | \$ 8,084 | 10.7 | \$ 25,881 | \$ 22,943 | 12.8 |
| Segment EBITDA Service Margin | 51.1% | 50.0% | | 50.4% | 48.5% | |

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 | 9/30/13 | 9/30/12 | % Change |
|---------------------------|---------|---------|----------|
| Connections ('000) | | | |
| Retail postpaid | 95,185 | 90,354 | 5.3 |
| Retail prepaid | 5,965 | 5,545 | 7.6 |
| Retail | 101,150 | 95,899 | 5.5 |

| Unaudited | 3 Mos. Ended 9/30/13 | 3 Mos. Ended 9/30/12 | % Change | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | % Change |
|--|-------------------------|-------------------------|----------|-------------------------|-------------------------|----------|
| Net Add Detail ('000)⁽¹⁾ | | | | | | |
| Retail postpaid | 927 | 1,535 | (39.6) | 2,545 | 2,924 | (13.0) |
| Retail prepaid | 134 | 228 | (41.2) | 274 | 751 | (63.5) |
| Retail | 1,061 | 1,763 | (39.8) | 2,819 | 3,675 | (23.3) |
| Account Statistics | | | | | | |
| Retail Postpaid Accounts ('000) ⁽²⁾ | | | | 34,972 | 34,796 | 0.5 |
| Retail postpaid ARPA | \$ 155.74 | \$ 145.42 | 7.1 | \$ 152.84 | \$ 143.11 | 6.8 |
| Retail postpaid connections per account ⁽²⁾ | | | | 2.72 | 2.60 | 4.6 |
| Churn Detail | | | | | | |
| Retail postpaid | 0.97% | 0.91% | | 0.97% | 0.90% | |
| Retail | 1.28% | 1.18% | | 1.27% | 1.18% | |
| Retail Postpaid Connection Statistics | | | | | | |
| Total Smartphone postpaid % of phones activated | 84.9% | 77.3% | | 84.5% | 73.4% | |
| Total Smartphone postpaid phone base ⁽²⁾ | | | | 67.2% | 53.2% | |
| Total Internet postpaid base ⁽²⁾ | | | | 10.2% | 8.8% | |
| Other Operating Statistics | | | | | | |
| Capital expenditures (in millions) | \$ 2,450 | \$ 2,133 | 14.9 | \$ 6,720 | \$ 6,066 | 10.8 |

Footnotes:

(1) Connection net additions exclude acquisitions and adjustments.

(2) Statistics presented as of end of period.

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 Financial Results

| (dollars in millions) | | | | | | |
|---|-------------------------|-------------------------|--------------|-------------------------|-------------------------|---------------|
| Unaudited | 3 Mos. Ended 9/30/13 | 3 Mos. Ended 9/30/12 | % Change | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | % Change |
| Operating Revenues | | | | | | |
| Consumer retail | \$ 3,709 | \$ 3,555 | 4.3 | \$ 10,941 | \$ 10,474 | 4.5 |
| Small business | 650 | 670 | (3.0) | 1,949 | 1,999 | (2.5) |
| Mass Markets | 4,359 | 4,225 | 3.2 | 12,890 | 12,473 | 3.3 |
| Strategic services | 2,115 | 2,010 | 5.2 | 6,281 | 5,962 | 5.4 |
| Core | 1,553 | 1,771 | (12.3) | 4,776 | 5,491 | (13.0) |
| Global Enterprise | 3,668 | 3,781 | (3.0) | 11,057 | 11,453 | (3.5) |
| Global Wholesale | 1,669 | 1,782 | (6.3) | 5,082 | 5,470 | (7.1) |
| Other | 118 | 126 | (6.3) | 349 | 394 | (11.4) |
| Total Operating Revenues | 9,814 | 9,914 | (1.0) | 29,378 | 29,790 | (1.4) |
| Operating Expenses | | | | | | |
| Cost of services and sales | 5,483 | 5,463 | 0.4 | 16,347 | 16,535 | (1.1) |
| Selling, general and administrative expense | 2,102 | 2,303 | (8.7) | 6,535 | 6,570 | (0.5) |
| Depreciation and amortization expense | 2,074 | 2,107 | (1.6) | 6,254 | 6,299 | (0.7) |
| Total Operating Expenses | 9,659 | 9,873 | (2.2) | 29,136 | 29,404 | (0.9) |
| Operating Income | \$ 155 | \$ 41 | * | \$ 242 | \$ 386 | (37.3) |
| Operating Income Margin | 1.6% | 0.4% | | 0.8% | 1.3% | |
| Segment EBITDA | \$ 2,229 | \$ 2,148 | 3.8 | \$ 6,496 | \$ 6,685 | (2.8) |
| Segment EBITDA Margin | 22.7% | 21.7% | | 22.1% | 22.4% | |

Footnotes:

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

Intersegment transactions have not been eliminated.

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

* Not meaningful

Wireline — Selected Operating Statistics

| Unaudited | 9/30/13 | 9/30/12 | % Change |
|---|---------|---------|----------|
| Connections ('000) | | | |
| FiOS Video Subscribers | 5,170 | 4,592 | 12.6 |
| FiOS Internet Subscribers | 5,946 | 5,280 | 12.6 |
| FiOS Digital Voice residence connections | 4,069 | 2,938 | 38.5 |
| FiOS Digital connections | 15,185 | 12,810 | 18.5 |
| HSI | 3,049 | 3,488 | (12.6) |
| Total Broadband connections | 8,995 | 8,768 | 2.6 |
| Primary residence switched access connections | 6,821 | 8,384 | (18.6) |
| Primary residence connections | 10,890 | 11,322 | (3.8) |
| Total retail residence voice connections | 11,421 | 12,005 | (4.9) |
| Total voice connections | 21,457 | 22,847 | (6.1) |

| Unaudited | 3 Mos. Ended 9/30/13 | 3 Mos. Ended 9/30/12 | % Change | 9 Mos. Ended 9/30/13 | 9 Mos. Ended 9/30/12 | % Change |
|--|-------------------------|-------------------------|----------|-------------------------|-------------------------|----------|
| Net Add Detail ('000) | | | | | | |
| FiOS Video Subscribers | 135 | 119 | 13.4 | 444 | 419 | 6.0 |
| FiOS Internet Subscribers | 173 | 136 | 27.2 | 522 | 463 | 12.7 |
| FiOS Digital Voice residence connections | 252 | 290 | (13.1) | 842 | 1,054 | (20.1) |
| FiOS Digital connections | 560 | 545 | 2.8 | 1,808 | 1,936 | (6.6) |
| HSI | (117) | (144) | (18.8) | (322) | (365) | (11.8) |
| Total Broadband connections | 56 | (8) | * | 200 | 98 | * |
| Primary residence switched access connections | (379) | (459) | (17.4) | (1,161) | (1,522) | (23.7) |
| Primary residence connections | (127) | (169) | (24.9) | (319) | (468) | (31.8) |
| Total retail residence voice connections | (162) | (217) | (25.3) | (428) | (621) | (31.1) |
| Total voice connections | (371) | (431) | (13.9) | (1,046) | (1,290) | (18.9) |
| Revenue and ARPU Statistics | | | | | | |
| Consumer ARPU | \$ 112.86 | \$ 103.86 | 8.7 | \$ 110.02 | \$ 102.02 | 7.8 |
| FiOS revenues (in millions) | \$ 2,823 | \$ 2,489 | 13.4 | \$ 8,187 | \$ 7,157 | 14.4 |
| Strategic services as a % of total Enterprise revenues | 57.7% | 53.2% | | 56.8% | 52.1% | |
| Other Operating Statistics | | | | | | |
| Capital expenditures (in millions) | \$ 1,518 | \$ 1,484 | 2.3 | \$ 4,467 | \$ 4,617 | (3.2) |
| Wireline employees ('000) | | | | 83.6 | 87.4 | |
| FiOS Video Open for Sale ('000) | | | | 14,824 | 13,957 | |
| FiOS Video penetration | | | | 34.9% | 32.9% | |
| FiOS Internet Open for Sale ('000) | | | | 15,167 | 14,283 | |
| FiOS Internet penetration | | | | 39.2% | 37.0% | |

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

3Q News Items

Verizon's Lowell McAdam to Receive TechAmerica Medal of Achievement

Jul 25, 2013 TechAmerica, the leading U.S. technology trade association, is delighted to announce that Lowell McAdam, Chairman and Chief Executive Officer of Verizon, will be the 55th recipient of the David Packard Medal of Achievement award. The Medal of Achievement recognizes significant contributions to the advancement of the high-tech industry and for distinguished service to the community, the industry and humankind.

"Lowell McAdam has been a transformational force in erasing the line between telecommunications and technology. His career has been dedicated to revolutionizing the global wireless industry while leading Verizon's foray into emerging technologies like M2M, telematics and smart sensors, all of which continue to transform our daily lives," said Shawn Osborne, President & CEO of TechAmerica. "We couldn't be more thrilled to honor Lowell with TechAmerica's highest honor."

Verizon and Motorola Solutions Collaborate to Deliver New Mobile Broadband Device to First Responders

Aug 7, 2013 First responders and emergency personnel across the U.S. will be able to better respond to emergencies and routine activities by tapping into the power of mobile broadband, with the introduction of a new vehicle-based modem that enables applications such as ultra-fast database access, photos and streaming video.

Verizon and Motorola Solutions are collaborating to deliver the VML 700 LTE Vehicle Modem R1.1. The modem is designed to operate on the Verizon 4G LTE wireless network and LTE-based public safety broadband networks such as FirstNet, the dedicated and interoperable national public safety broadband network authorized by Congress as part of the Middle Class Tax Relief and Job Creation Act of 2012.

Verizon Successfully Completes 200G Field Trial

Aug 12, 2013 Verizon has successfully completed a field trial demonstrating the ability to double the capacity of a fiber by using 200G technology on Verizon's ultra-long-haul production network between New York and Boston. The trial, which involved sending traffic approximately 260 miles, proves the ability to double spectral efficiency while reducing the cost per bit when compared with 100G technology, currently the fastest speed available on Verizon's network.

U.S. Department of the Interior Selects Verizon to Participate in \$10 Billion, 10-Year Cloud-Hosting Contract Vehicle

Aug 16, 2013 The U.S. Department of the Interior has selected Verizon to participate in a \$10 billion, 10-year contract to provide cloud and hosting services. This is potentially one of Verizon's largest federal cloud contracts to date.

Verizon is one of 10 companies that will compete to offer cloud-based storage, secure file transfer, virtual machine, and database, Web, and development and test environment hosting services. The company is also one of four selected to offer SAP application hosting services.

Verizon Communications Raises Quarterly Dividend 2.9 Percent to 53 Cents per Share

Sep 2, 2013 The Board of Directors of Verizon Communications Inc. (NYSE, Nasdaq: VZ) declared a quarterly dividend of 53 cents per outstanding share, an increase of 1.5 cents per share, or 2.9 percent, from the previous quarter. On an annual basis, this increases Verizon's dividend by 6 cents per share, from \$2.06 to \$2.12 per share.

The quarterly dividend is payable on Nov. 1, 2013, to Verizon Communications shareowners of record at the close of business on Oct. 10, 2013.

This is the seventh consecutive year that Verizon's Board of Directors has approved a quarterly dividend increase.

Verizon Reaches Agreement to Acquire Vodafone's 45 percent Interest in Verizon Wireless for \$130 billion

Sep 2, 2013 Verizon Communications Inc. (NYSE, Nasdaq: VZ) announced that it has entered into a definitive agreement with Vodafone Group Plc (London, Nasdaq: VOD) to acquire Vodafone's U.S. group with the principal asset of 45 percent of Verizon Wireless for \$130 billion, consisting primarily of cash and stock. Verizon expects the transaction at close to be immediately accretive to the company's EPS (earnings per share) by approximately 10 percent, without any one-time adjustments.

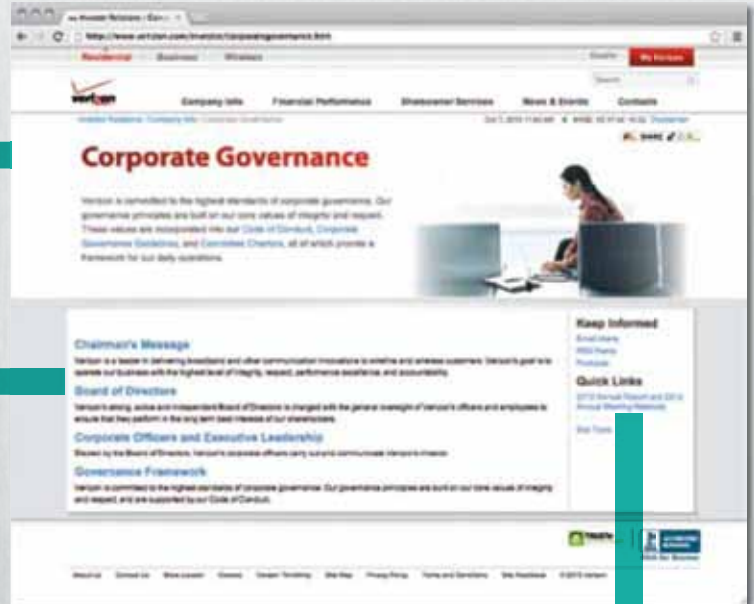
The transaction would provide Verizon with 100 percent ownership of the industry-leading wireless carrier in the U.S. As a wholly owned entity, Verizon Wireless will be better equipped to take advantage of the changing competitive dynamics in the market and capitalize on the continuing evolution of consumer demand for wireless, video and broadband services.

Verizon Earns Top 100 Spot in 2013 InformationWeek 500

Sep 30, 2013 For the 17th year, Verizon has been named to the InformationWeek 500, a list that honors the top technology innovators in the U.S. Recognized in the list's top 100 for innovative information-technology work, Verizon earned its spot for the company's Tech Tablet project. It uses mobile tools to enhance the ability of Verizon field technicians to provide a world-class service experience for the company's residential and business customers. "Our IT team is focused on driving shareholder value by delivering innovative business solutions that produce a superior customer experience," said Roger Gurnani, chief information officer for Verizon. "We're honored to be recognized once again as an innovative technology leader."

Corporate Governance

Verizon is committed to the highest standards of corporate governance. Our governance principles are built on our core values of integrity and respect. These values are incorporated into our [Code of Conduct](#), [Corporate Governance Guidelines](#), and [Committee Charters](#), all of which provide a framework for our daily operations.



Chairman's Message

Verizon is a leader in delivering broadband and other communication innovations to wireline and wireless customers. Verizon's goal is to operate our business with the highest level of integrity, respect, performance excellence, and accountability.

Board of Directors

Verizon's strong, active and independent Board of Directors is charged with the general oversight of Verizon's officers and employees to ensure that they perform in the long term best interests of our shareholders.

Corporate Officers and Executive Leadership

Elected by the Board of Directors, Verizon's corporate officers carry out and communicate Verizon's mission.

Governance Framework

Verizon is committed to the highest standards of corporate governance. Our governance principles are built on our core values of integrity and respect, and are supported by our Code of Conduct.

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