

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Operating Revenues						
Service revenues and other	\$ 27,351	\$ 27,159	0.7	\$ 54,548	\$ 53,891	1.2
Wireless equipment revenues	4,720	5,044	(6.4)	9,651	10,084	(4.3)
Total Operating Revenues	32,071	32,203	(0.4)	64,199	63,975	0.4
Operating Expenses						
Cost of services	7,702	8,234	(6.5)	15,494	16,180	(4.2)
Cost of wireless equipment	5,019	5,397	(7.0)	10,217	10,706	(4.6)
Selling, general and administrative expense	7,268	7,605	(4.4)	14,466	14,449	0.1
Depreciation and amortization expense	4,232	4,350	(2.7)	8,463	8,674	(2.4)
Total Operating Expenses	24,221	25,586	(5.3)	48,640	50,009	(2.7)
Operating Income	7,850	6,617	18.6	15,559	13,966	11.4
Equity in losses of unconsolidated businesses	(13)	(228)	(94.3)	(19)	(247)	(92.3)
Other income (expense), net	(1,312)	360	*	(1,017)	285	*
Interest expense	(1,215)	(1,222)	(0.6)	(2,425)	(2,423)	0.1
Income Before Provision For Income Taxes	5,310	5,527	(3.9)	12,098	11,581	4.5
Provision for income taxes	(1,236)	(1,281)	(3.5)	(2,864)	(2,669)	7.3
Net Income	\$ 4,074	\$ 4,246	(4.1)	\$ 9,234	\$ 8,912	3.6
Net income attributable to noncontrolling interests	\$ 130	\$ 126	3.2	\$ 258	\$ 247	4.5
Net income attributable to Verizon	3,944	4,120	(4.3)	8,976	8,665	3.6
Net Income	\$ 4,074	\$ 4,246	(4.1)	\$ 9,234	\$ 8,912	3.6
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 0.95	\$ 1.00	(5.0)	\$ 2.17	\$ 2.10	3.3
Weighted-average shares outstanding (in millions)	4,138	4,135		4,138	4,120	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 0.95	\$ 1.00	(5.0)	\$ 2.17	\$ 2.10	3.3
Weighted-average shares outstanding (in millions)	4,139	4,139		4,140	4,123	

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.

* Not meaningful

Condensed Consolidated Balance Sheets

(dollars in millions)			
Unaudited	6/30/19	12/31/18	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 1,949	\$ 2,745	\$ (796)
Accounts receivable, net	24,926	25,102	(176)
Inventories	1,167	1,336	(169)
Prepaid expenses and other	5,266	5,453	(187)
Total current assets	33,308	34,636	(1,328)
Property, plant and equipment	257,395	252,835	4,560
Less accumulated depreciation	169,577	163,549	6,028
Property, plant and equipment, net	87,818	89,286	(1,468)
Investments in unconsolidated businesses	650	671	(21)
Wireless licenses	94,333	94,130	203
Goodwill	24,632	24,614	18
Other intangible assets, net	9,474	9,775	(301)
Operating lease right-of-use assets	22,467	0	22,467
Other assets	10,426	11,717	(1,291)
Total assets	\$ 283,108	\$ 264,829	\$ 18,279
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 8,773	\$ 7,190	\$ 1,583
Accounts payable and accrued liabilities	17,633	22,501	(4,868)
Current operating lease liabilities	3,154	0	3,154
Other current liabilities	8,654	8,239	415
Total current liabilities	38,214	37,930	284
Long-term debt	104,598	105,873	(1,275)
Employee benefit obligations	18,040	18,599	(559)
Deferred income taxes	34,225	33,795	430
Non-current operating lease liabilities	18,254	0	18,254
Other liabilities	11,830	13,922	(2,092)
Total long-term liabilities	186,947	172,189	14,758
Equity			
Common stock	429	429	0
Additional paid in capital	13,419	13,437	(18)
Retained earnings	47,945	43,542	4,403
Accumulated other comprehensive income	1,447	2,370	(923)
Common stock in treasury, at cost	(6,823)	(6,986)	163
Deferred compensation – employee stock ownership plans and other	165	353	(188)
Noncontrolling interests	1,365	1,565	(200)
Total equity	57,947	54,710	3,237
Total liabilities and equity	\$ 283,108	\$ 264,829	\$ 18,279

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)			
Unaudited	6/30/19	12/31/18	
Total debt	\$ 113,371	\$ 113,063	
Net debt	\$ 111,422	\$ 110,318	
Net unsecured debt	\$ 100,170	\$ 100,242	
Net debt / Consolidated Adjusted EBITDA ⁽¹⁾	2.3x	2.3x	
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾	2.1x	2.1x	
Common shares outstanding end of period (in millions)	4,136	4,132	
Total employees ('000)	135.9	144.5	
Quarterly cash dividends declared per common share	\$ 0.6025	\$ 0.6025	

Footnotes:

(1) Consolidated adjusted EBITDA excludes the effects of non-operational items and special items.

Condensed Consolidated Statements of Cash Flows

(dollars in millions)

Unaudited	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 9,234	\$ 8,912	\$ 322
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	8,463	8,674	(211)
Employee retirement benefits	(294)	(300)	6
Deferred income taxes	588	1,354	(766)
Provision for uncollectible accounts	738	462	276
Equity in losses of unconsolidated businesses, net of dividends received	50	268	(218)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(4,593)	(1,538)	(3,055)
Discretionary employee benefits contributions	(300)	(1,679)	1,379
Other, net	1,950	280	1,670
Net cash provided by operating activities	15,836	16,433	(597)
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(7,967)	(7,838)	(129)
Acquisitions of businesses, net of cash acquired	(28)	(38)	10
Acquisitions of wireless licenses	(199)	(1,155)	956
Other, net	(395)	303	(698)
Net cash used in investing activities	(8,589)	(8,728)	139
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	6,237	4,584	1,653
Proceeds from asset-backed long-term borrowings	3,982	1,716	2,266
Repayments of long-term borrowings and finance lease obligations	(9,630)	(6,568)	(3,062)
Repayments of asset-backed long-term borrowings	(2,817)	(2,000)	(817)
Dividends paid	(4,981)	(4,845)	(136)
Other, net	(834)	(752)	(82)
Net cash used in financing activities	(8,043)	(7,865)	(178)
Decrease in cash, cash equivalents and restricted cash	(796)	(160)	(636)
Cash, cash equivalents and restricted cash, beginning of period	3,916	2,888	1,028
Cash, cash equivalents and restricted cash, end of period	<u>\$ 3,120</u>	<u>\$ 2,728</u>	<u>\$ 392</u>

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Operating Revenues						
Service	\$ 16,350	\$ 16,049	1.9	\$ 32,609	\$ 31,873	2.3
Wireless equipment	3,903	4,251	(8.2)	8,069	8,521	(5.3)
Other	1,742	1,703	2.3	3,465	3,236	7.1
Total Operating Revenues	21,995	22,003	-	44,143	43,630	1.2
Operating Expenses						
Cost of services	3,847	3,842	0.1	7,726	7,615	1.5
Cost of wireless equipment	3,909	4,296	(9.0)	8,051	8,569	(6.0)
Selling, general and administrative expense	4,022	3,808	5.6	8,005	7,479	7.0
Depreciation and amortization expense	2,881	2,997	(3.9)	5,775	5,972	(3.3)
Total Operating Expenses	\$ 14,659	\$ 14,943	(1.9)	\$ 29,557	\$ 29,635	(0.3)
Operating Income	\$ 7,336	\$ 7,060	3.9	\$ 14,586	\$ 13,995	4.2
Operating Income Margin	33.4 %	32.1 %		33.0 %	32.1 %	
Segment EBITDA	\$ 10,217	\$ 10,057	1.6	\$ 20,361	\$ 19,967	2.0
Segment EBITDA Margin	46.5 %	45.7 %		46.1 %	45.8 %	

Footnotes:

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

Certain intersegment transactions with corporate entities have not been eliminated.

Consumer - Selected Operating Statistics

Unaudited	6/30/19		6/30/18		% Change	
Connections ('000):						
Wireless retail postpaid connections	89,630		88,984		0.7	
Wireless retail prepaid connections	4,266		4,832		(11.7)	
Total wireless retail connections	93,896		93,816		0.1	
Fios video connections	4,270		4,487		(4.8)	
Fios Internet connections	5,837		5,663		3.1	
Fios digital voice residence connections	3,725		3,863		(3.6)	
Fios digital connections	13,832		14,013		(1.3)	
Broadband connections	6,474		6,447		0.4	
Voice connections	6,058		6,631		(8.6)	
	3 Mos. Ended	3 Mos. Ended		6 Mos. Ended	6 Mos. Ended	
Unaudited	6/30/19	6/30/18	% Change	6/30/19	6/30/18	% Change
Gross Additions ('000):						
Wireless retail postpaid	2,725	2,617	4.1	5,439	5,251	3.6
Net Additions Detail ('000) ⁽¹⁾:						
Wireless retail postpaid	126	147	(14.3)	(75)	92	*
Wireless retail prepaid	(213)	(236)	9.7	(389)	(571)	31.9
Total wireless retail	(87)	(89)	2.2	(464)	(479)	3.1
Wireless retail postpaid phones	73	17	*	(90)	(136)	33.8
Fios video	(52)	(38)	(36.8)	(107)	(61)	(75.4)
Fios Internet	28	36	(22.2)	76	98	(22.4)
Fios digital voice residence	(32)	(28)	(14.3)	(77)	(42)	(83.3)
Fios digital	(56)	(30)	(86.7)	(108)	(5)	*
Broadband	(2)	(7)	71.4	14	6	*
Voice	(126)	(155)	18.7	(274)	(297)	7.7
Churn Rate:						
Wireless retail postpaid	0.97 %	0.93 %		1.03 %	0.97 %	
Wireless retail postpaid phones	0.72 %	0.71 %		0.76 %	0.74 %	
Wireless retail	1.23 %	1.19 %		1.28 %	1.25 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 13,456	\$ 13,122	2.5	\$ 26,813	\$ 26,003	3.1
Fios revenues	\$ 2,772	\$ 2,738	1.2	\$ 5,536	\$ 5,472	1.2
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽²⁾	\$ 118.15	\$ 115.53	2.3	\$ 117.80	\$ 114.49	2.9
Wireless retail postpaid upgrade rate	4.3 %	5.1 %				
Wireless retail postpaid accounts ('000) ⁽³⁾				33,924	34,045	(0.4)
Wireless retail postpaid connections per account ⁽³⁾				2.64	2.61	1.1
Total wireless Internet postpaid base ⁽³⁾				16.2 %	15.9 %	

Footnotes:

- (1) Connection net additions exclude acquisitions and adjustments.
- (2) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.
- (3) Statistics presented as of end of period.

The segment financial results and metrics above are adjusted to exclude the effects of special items, as the Company’s chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Operating Revenues						
Global Enterprise	\$ 2,673	\$ 2,808	(4.8)	\$ 5,364	\$ 5,634	(4.8)
Small and Medium Business	2,785	2,642	5.4	5,493	5,176	6.1
Public Sector and Other	1,492	1,437	3.8	2,963	2,867	3.3
Wholesale	818	964	(15.1)	1,667	1,957	(14.8)
Total Operating Revenues	7,768	7,851	(1.1)	15,487	15,634	(0.9)
Operating Expenses						
Cost of services	2,581	2,660	(3.0)	5,172	5,370	(3.7)
Cost of wireless equipment	1,109	1,101	0.7	2,166	2,137	1.4
Selling, general and administrative expense	1,961	1,930	1.6	3,942	3,794	3.9
Depreciation and amortization expense	1,046	1,059	(1.2)	2,088	2,118	(1.4)
Total Operating Expenses	6,697	6,750	(0.8)	13,368	13,419	(0.4)
Operating Income	\$ 1,071	\$ 1,101	(2.7)	\$ 2,119	\$ 2,215	(4.3)
Operating Income Margin	13.8 %	14.0 %		13.7 %	14.2 %	
Segment EBITDA	\$ 2,117	\$ 2,160	(2.0)	\$ 4,207	\$ 4,333	(2.9)
Segment EBITDA Margin	27.3 %	27.5 %		27.2 %	27.7 %	

Footnotes:

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

Certain intersegment transactions with corporate entities have not been eliminated.

Business - Selected Operating Statistics

Unaudited	6/30/19			6/30/18		% Change
Connections ('000):						
Wireless retail postpaid connections	24,221			22,638		7.0
Fios video connections	76			73		4.1
Fios Internet connections	316			296		6.8
Fios digital connections	392			369		6.2
Broadband connections	494			509		(2.9)
Voice connections	5,163			5,639		(8.4)
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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 special items, as the Company's chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Supplemental Information - Wireless Historical Financial Results

The following supplemental schedule contains historical wireless segment results and is provided to help investors understand trends in our new segment results.

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Operating Revenues						
Service	\$ 16,244	\$ 15,754	3.1	\$ 32,316	\$ 31,156	3.7
Equipment	4,720	5,044	(6.4)	9,651	10,084	(4.3)
Other	1,718	1,651	4.1	3,415	3,109	9.8
Total Operating Revenues	22,682	22,449	1.0	45,382	44,349	2.3
Operating Expenses						
Cost of services	2,422	2,335	3.7	4,878	4,550	7.2
Cost of equipment	5,019	5,397	(7.0)	10,217	10,706	(4.6)
Selling, general and administrative expense	4,318	3,984	8.4	8,599	7,883	9.1
Depreciation and amortization expense	2,282	2,459	(7.2)	4,581	4,887	(6.3)
Total Operating Expenses	14,041	14,175	(0.9)	28,275	28,026	0.9
Operating Income	\$ 8,641	\$ 8,274	4.4	\$ 17,107	\$ 16,323	4.8
Operating Income Margin	38.1 %	36.9 %		37.7 %	36.8 %	
Segment EBITDA	\$ 10,923	\$ 10,733	1.8	\$ 21,688	\$ 21,210	2.3
Segment EBITDA Margin	48.2 %	47.8 %		47.8 %	47.8 %	

Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

Supplemental Information - Wireless Historical Operating Statistics

The following supplemental schedule contains historical wireless segment results and is provided to help investors understand trends in our new segment results.

Unaudited	6/30/19	6/30/18	% Change
Connections ('000)			
Retail postpaid	113,851	111,622	2.0
Retail prepaid	4,266	4,832	(11.7)
Total retail	118,117	116,454	1.4

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Net Add Detail ('000) ⁽¹⁾						
Retail postpaid	451	531	(15.1)	512	791	(35.3)
Retail prepaid	(213)	(236)	9.7	(389)	(571)	31.9
Total retail	238	295	(19.3)	123	220	(44.1)

Account Statistics

Retail postpaid accounts ('000) ⁽²⁾							35,346	35,309	0.1	
Retail postpaid connections per account ⁽²⁾							3.22	3.16	1.9	
Retail postpaid ARPA ⁽³⁾	\$	137.80	\$	134.56	2.4	\$	137.24	\$	133.13	3.1

Churn Detail

Retail postpaid	1.02 %	0.97 %	1.07 %	1.01 %
Retail	1.22 %	1.18 %	1.27 %	1.23 %

Retail Postpaid Connection Statistics ⁽²⁾

Total smartphone postpaid phone base	93.1 %	91.2 %
Total Internet postpaid base	19.8 %	19.4 %

Footnotes:

(1) Connection net additions exclude acquisitions and adjustments.

(2) Statistics presented as of end of period.

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

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

Supplemental Information - Wireline Historical Financial Results

The following supplemental schedule contains historical wireline segment results and is provided to help investors understand trends in our new segment results.

Unaudited	(dollars in millions)					
	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Operating Revenues						
Consumer Markets	\$ 3,120	\$ 3,132	(0.4)	\$ 6,273	\$ 6,282	(0.1)
Enterprise Solutions	2,084	2,211	(5.7)	4,224	4,451	(5.1)
Partner Solutions	1,043	1,200	(13.1)	2,118	2,428	(12.8)
Business Markets	820	850	(3.5)	1,648	1,721	(4.2)
Other	59	66	(10.6)	127	134	(5.2)
Total Operating Revenues	7,126	7,459	(4.5)	14,390	15,016	(4.2)
Operating Expenses						
Cost of services	4,197	4,377	(4.1)	8,383	8,852	(5.3)
Selling, general and administrative expense	1,553	1,577	(1.5)	3,159	3,056	3.4
Depreciation and amortization expense	1,566	1,524	2.8	3,126	3,058	2.2
Total Operating Expenses	7,316	7,478	(2.2)	14,668	14,966	(2.0)
Operating Income (Loss)	\$ (190)	\$ (19)	*	\$ (278)	\$ 50	*
Operating Income (Loss) Margin	(2.7)%	(0.3)%		(1.9)%	0.3 %	
Segment EBITDA	\$ 1,376	\$ 1,505	(8.6)	\$ 2,848	\$ 3,108	(8.4)
Segment EBITDA Margin	19.3 %	20.2 %		19.8 %	20.7 %	

Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Supplemental Information - Wireline Historical Operating Statistics

The following supplemental schedule contains historical wireline segment results and is provided to help investors understand trends in our new segment results.

Unaudited	6/30/2019	6/30/2018	% Change
Connections ('000)			
Fios video connections	4,346	4,560	(4.7)
Fios Internet connections	6,153	5,959	3.3
Fios digital voice residence connections	3,725	3,863	(3.6)
Fios digital connections	14,224	14,382	(1.1)
Broadband connections	6,968	6,956	0.2
Voice connections	11,221	12,270	(8.5)

Unaudited	3 Mos. Ended 6/30/19	3 Mos. Ended 6/30/18	% Change	6 Mos. Ended 6/30/19	6 Mos. Ended 6/30/18	% Change
Net Add Detail ('000)						
Fios video connections	(52)	(37)	(40.5)	(105)	(59)	(78.0)
Fios Internet connections	34	43	(20.9)	86	109	(21.1)
Fios digital voice residence connections	(32)	(28)	(14.3)	(77)	(42)	(83.3)
Fios digital connections	(50)	(22)	*	(96)	8	*
Broadband connections	(5)	(10)	50.0	7	(3)	*
Voice connections	(232)	(285)	18.6	(511)	(551)	7.3

Revenue Statistics

Fios revenues (in millions)	\$ 3,011	\$ 2,956	1.9	\$ 6,018	\$ 5,907	1.9
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Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful