

Financial and operational highlights as of December 31, 2017

2017 Highlights

\$7.36
reported
earnings
per share

\$3.74
adjusted
earnings per
share (non-GAAP)

\$126.0
billion in
consolidated
revenues

\$25.3
billion in
cash flow from
operations

11th
consecutive year
of annual dividend
increases

116.3
million
wireless retail
connections

1.01%
wireless retail
postpaid churn

\$87.5
billion in
wireless
revenues

97.9 million
retail postpaid 4G
LTE connections

4.6 million
Fios Video
subscribers

5.9 million
Fios Internet
subscribers

4.0%
growth in Fios
revenues

Dividends Declared Per Share



\$2.335
Up 2.2%
year over year

See our investor website (www.verizon.com/about/investors) for reconciliations to U.S. generally accepted accounting principles (GAAP) for the non-GAAP financial measures included in this annual report.

Forward-looking statements

In this communication we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "believes," "estimates," "hopes" or similar expressions. 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. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. 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: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; 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; our high level of indebtedness; 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 further financing; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; 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; the inability to implement our business strategies; and the inability to realize the expected benefits of strategic transactions.

Financial and operational highlights

as of December 31, 2016

Dividends declared per share



\$3.21 reported earnings per share

\$3.87 adjusted earnings per share (non-GAAP)

\$126.0 billion in consolidated revenues

\$22.7 billion in cash flow from operations

10th consecutive year of annual dividend increases

114.2 million wireless retail connections

1.01% wireless retail postpaid churn

\$89.2 billion in wireless revenues

92.5 million retail postpaid 4G LTE connections

5.7 million Fios Internet subscribers

4.7 million Fios Video subscribers

4.6% growth in Fios revenues

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

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Corporate responsibility highlights



At Verizon, we have long believed that it is our responsibility to share our success. It's not enough to deliver strong financial performance. We must also make a positive contribution to society and that is why we are taking actions to support the United Nation's Sustainable Development Goals. We are specifically focused on goals 4 and 8: providing young people with relevant skills for good jobs and entrepreneurship, and promoting an environmentally sustainable economy.

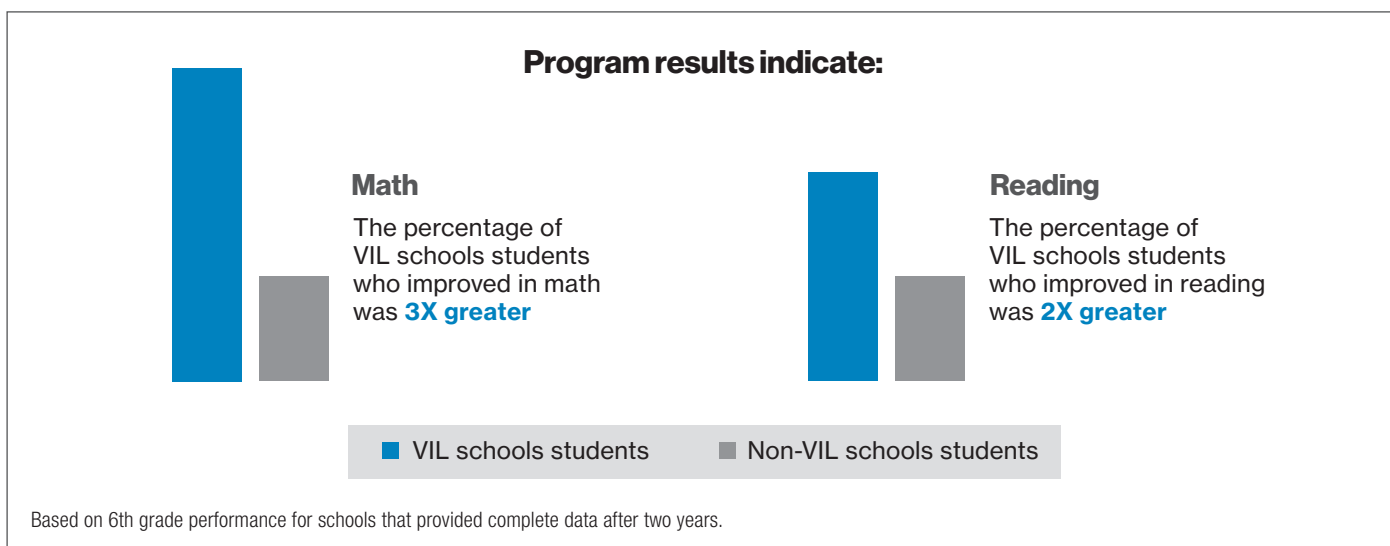
We have set aggressive targets to guide our actions and we are measuring our impact.

Education goal

By 2023, Verizon will help provide six million students with the skills required to put them on the path to success in an increasingly tech-dependent job market.

Progress:

- In 2017, almost 128,000 students participated in our Verizon Innovative Learning (VIL) initiative.
- More than one million students have participated in our education programs since 2012.
- Key metric: In the schools that began the program in 2014, VIL schools students significantly outperformed their non-VIL peers on math and reading standardized tests.



Sustainability goals

By 2022, Verizon's networks and connected solutions will save more than double the amount of global emissions that our operations create. By 2025, we will reduce our carbon intensity (a measure of the overall carbon we emit divided by the terabytes of data carried by our networks) by 50 percent over the 2016 baseline.

In addition, by 2030 we will plant two million trees in communities around the world, including 250,000 in areas impacted by the 2017 hurricane season.

Progress:

- In 2017, Verizon's networks and connected solutions enabled emissions savings equal to 1.38 times our own operational emissions.
- We are currently measuring our progress toward reducing our carbon intensity and will report our results on our Corporate Responsibility website.
- We have planted more than 560,000 trees since 2009.

**By 2025,
we will reduce the
carbon intensity
of our operations
by **50 percent**
over the 2016
baseline.**

To read more, please visit our 2017 Corporate Responsibility Report at www.verizon.com/about/responsibility

Corporate responsibility highlights

Verizon's technology delivers environmental and societal benefits to our customers. To learn more about our initiatives, please review our Corporate Responsibility Supplement at www.verizon.com/about/responsibility.

Education

Through Verizon Innovative Learning, the education initiative of the Verizon Foundation, we are providing free technology, access and an immersive, hands-on learning curriculum to underserved communities across America.

Verizon Innovative Learning reached more than 200K students in 2016.

Program results indicate:



Teachers are more skilled at using technology in the classroom.



Students find technology makes STEM more interesting.



Students are more confident.

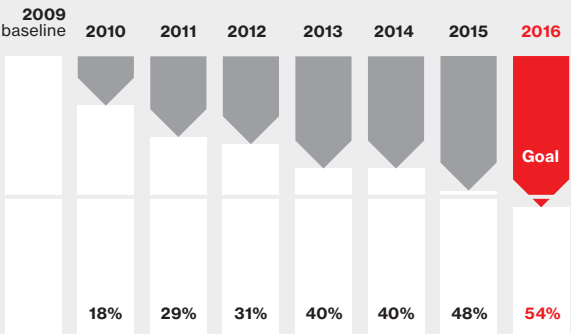
Sustainability

Verizon is working to minimize our environmental impact through energy efficiency and waste reduction measures.

Carbon intensity

In 2009, we pledged to reduce our carbon intensity—the carbon our business emits divided by the terabytes of data we transport over our networks—by 50 percent by 2020, even as we grew our business. We achieved this goal in 2016.

Verizon carbon intensity 2009–2016



To build on our progress, we:

- Established a new goal to double our current green energy capacity by 2025 by adding 24MW of green energy.
- Reduced Verizon's water consumption by 4 percent, toward our goal of a 7 percent reduction from the 2014 baseline by 2020.
- Met our goal for 75 percent of assessed suppliers to comply with our environmental standards, and set a new goal for 75 percent of assessed suppliers to be compliant with comprehensive corporate responsibility standards by 2020.
- Helped our customers eliminate 5.9 to 8.6 million metric tons of GHG emissions, equivalent to removing 1.2 to 1.8 million cars from the road for one year.

Selected Financial Data

(dollars in millions, except per share amounts)

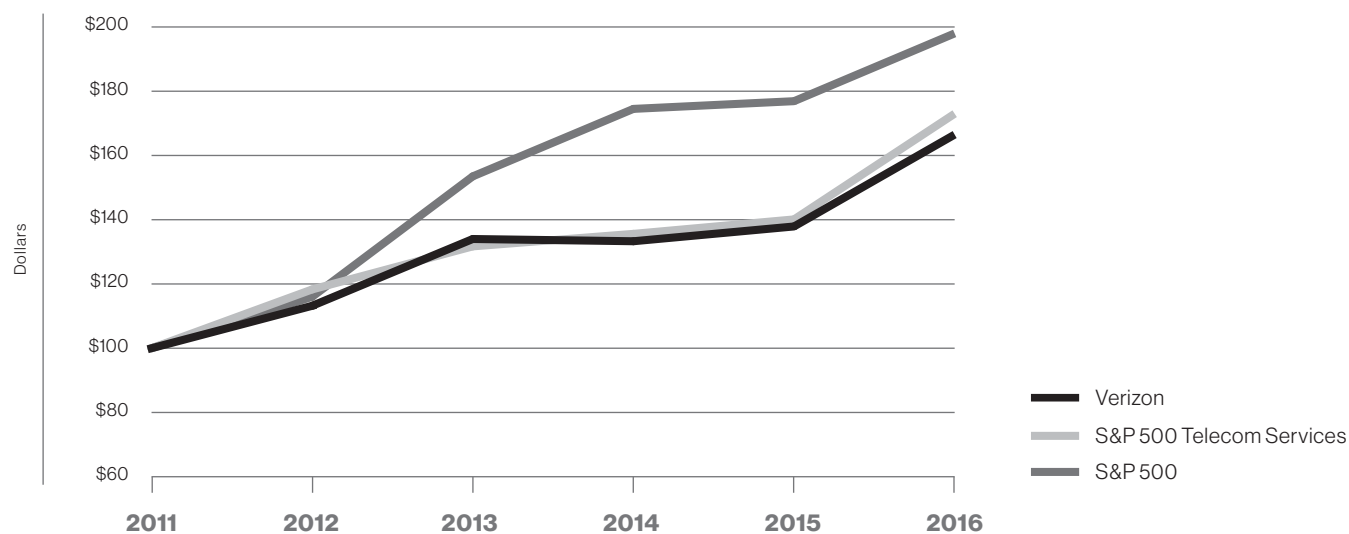
	2016	2015	2014	2013	2012
Results of Operations					
Operating revenues	\$ 125,980	\$ 131,620	\$ 127,079	\$ 120,550	\$ 115,846
Operating income	27,059	33,060	19,599	31,968	13,160
Net income attributable to Verizon	13,127	17,879	9,625	11,497	875
Per common share — basic	3.22	4.38	2.42	4.01	.31
Per common share — diluted	3.21	4.37	2.42	4.00	.31
Cash dividends declared per common share	2.285	2.230	2.160	2.090	2.030
Net income attributable to noncontrolling interests	481	496	2,331	12,050	9,682
Financial Position					
Total assets	\$ 244,180	\$ 244,175	\$ 232,109	\$ 273,184	\$ 222,720
Debt maturing within one year	2,645	6,489	2,735	3,933	4,369
Long-term debt	105,433	103,240	110,029	89,188	47,428
Employee benefit obligations	26,166	29,957	33,280	27,682	34,346
Noncontrolling interests	1,508	1,414	1,378	56,580	52,376
Equity attributable to Verizon	22,524	16,428	12,298	38,836	33,157

• Significant events affecting our historical earnings trends in 2014 through 2016 are described in "Other Items" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section.

• 2013 data includes severance, pension and benefit charges, gain on spectrum license transactions and wireless transaction costs. 2012 data includes severance, pension and benefit charges, early debt redemption costs and litigation settlement charges.

Stock Performance Graph

Comparison of Five-Year Total Return Among Verizon, S&P 500 Telecommunications Services Index and S&P 500 Stock Index



Data Points in Dollars	At December 31,					
	2011	2012	2013	2014	2015	2016
Verizon	100.0	113.2	134.0	133.3	137.9	166.5
S&P 500 Telecom Services	100.0	118.3	131.7	135.6	140.1	173.0
S&P 500	100.0	116.0	153.5	174.5	176.9	198.0

The graph compares the cumulative total returns of Verizon, the S&P 500 Telecommunications Services Index, and the S&P 500 Stock Index over a five-year period. It assumes \$100 was invested on December 31, 2011 with dividends being reinvested.

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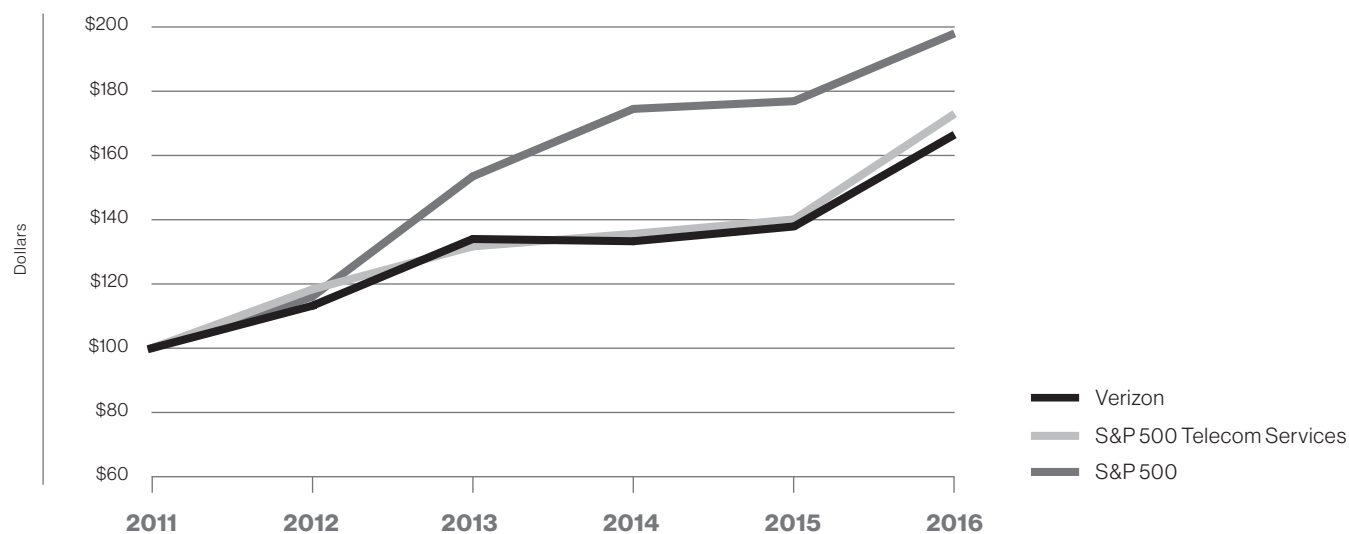
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