Verizon Virginia Inc.

Condensed Financial Statements
Three and Six Months Ended June 30, 2009 and 2008

Verizon Virginia Inc.

CONDENSED STATEMENTS OF INCOME

(dollars in millions) (unaudited)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Operating Revenues				
(including $153, $137, $305 and $270 from affiliates)	**$ 549**	$ 543	**$ 1,093**	$ 1,087
Operating Expenses				
(including $188, $159, $365 and $307 to affiliates)				
Cost of services and sales (exclusive of items shown below)	**197**	172	**386**	349
Selling, general and administrative expense	**108**	112	**217**	206
Depreciation and amortization expense	**111**	109	**220**	217
Total Operating Expenses	**416**	393	**823**	772
Operating Income	**133**	150	**270**	315
Other income and (expense), net				
(including $---, $1, $1 and $3 from affiliates)	**1**	2	**1**	4
Interest expense	**(19)**	(17)	**(35)**	(34)
Income Before Provision for Income Taxes	**115**	135	**236**	285
Provision for income taxes	**(43)**	(50)	**(88)**	(108)
Net Income	**$ 72**	$ 85	**$ 148**	$ 177

See Notes to Condensed Financial Statements

Verizon Virginia Inc.

CONDENSED BALANCE SHEETS

(dollars in millions) (unaudited)	**June 30, 2009**	**December 31, 2008**
Assets		
Current assets		
Short-term investments	**$ 1**	$ 11
Note receivable from affiliate	**---**	206
Accounts receivable:		
Trade and other, net of allowances for uncollectibles of $41 and $43	**269**	261
Affiliates	**164**	93
Materials and supplies	**36**	35
Prepaid expenses	**3**	---
Deferred income taxes	**31**	29
Deferred charges and other	**32**	31
Total current assets	**536**	666
Plant, property and equipment	**10,119**	9,881
Less accumulated depreciation	**6,700**	6,526
	3,419	3,355
Intangible assets, net	**4**	3
Prepaid pension asset	**272**	272
Other assets	**28**	26
Total assets	**$ 4,259**	$ 4,322
Liabilities and Shareowner's Investment		
Current liabilities		
Debt maturing within one year:		
Notes payable to affiliates	**$ 168**	$ ---
Other	**1**	1
Accounts payable and accrued liabilities:		
Affiliates	**124**	161
Other	**160**	145
Other current liabilities	**115**	122
Total current liabilities	**568**	429
Long-term debt	**1,302**	1,303
Employee benefit obligations	**663**	658
Deferred credits and other liabilities		
Deferred income taxes	**327**	298
Unamortized investment tax credits	**7**	7
Other	**72**	71
	406	376
Shareowner's investment		
Common stock (one share, without par value)	**874**	874
Contributed capital	**105**	105
Reinvested earnings	**343**	579
Accumulated other comprehensive loss	**(2)**	(2)
Total shareowner's investment	**1,320**	1,556
Total liabilities and shareowner's investment	**$ 4,259**	$ 4,322

See Notes to Condensed Financial Statements

Verizon Virginia Inc.

CONDENSED STATEMENTS OF CASH FLOWS

(dollars in millions) (unaudited)	Six Months Ended June 30, 2009	2008
Net Cash Provided by Operating Activities	**$ 274**	$ 322
Cash Flows from Investing Activities		
Capital expenditures (including capitalized software)	**(272)**	(298)
Net change in short-term investments	**10**	33
Change in notes receivable from affiliates	**206**	22
Other, net	**(2)**	(1)
Net cash used in investing activities	**(58)**	(244)
Cash Flows from Financing Activities		
Net change in short-term note payable to affiliate	**168**	---
Dividends paid	**(384)**	(76)
Net change in outstanding checks drawn on controlled disbursement accounts	**---**	(2)
Net cash used in financing activities	**(216)**	(78)
Net change in cash	**---**	---
Cash, beginning of period	**---**	---
Cash, end of period	**$ ---**	$ ---

See Notes to Condensed Financial Statements

NOTES TO CONDENSED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation and Recent Accounting Pronouncements

Verizon Virginia Inc. (Verizon Virginia or the Company) is a wholly owned subsidiary of Verizon Communications Inc. (Verizon). The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim periods. These condensed financial statements reflect all adjustments that are necessary for a fair presentation of results of operations and financial position for the interim periods shown including normal recurring accruals and other items. We have evaluated subsequent events through August 28, 2009, the date these condensed financial statements were issued. The results for the interim periods are not necessarily indicative of results for the full year. The balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. For a more complete discussion of significant accounting policies and certain other information, you should refer to our December 31, 2008 audited financial statements.

The adoption of the following accounting pronouncements during the first six months of 2009 did not result in a significant impact to our condensed financial statements:

On June 15, 2009, we adopted the accounting pronouncement regarding the general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before the financial statements are issued. This pronouncement was effective prospectively for interim and annual reporting periods ending after June 15, 2009.

On June 15, 2009, we adopted the accounting pronouncement that amends the requirements for disclosures about fair value of financial instruments, regarding the fair value of financial instruments for annual, as well as interim, reporting periods. This pronouncement was effective prospectively for all interim and annual reporting periods ending after June 15, 2009.

2. Shareowner's Investment

(dollars in millions)	Common Stock	Contributed Capital	Reinvested Earnings	Accumulated Other Comprehensive Loss
Balance at December 31, 2008	$ 874	$ 105	$ 579	$ (2)
Net income	---	---	148	---
Dividends paid	---	---	(384)	---
Balance at June 30, 2009	$ 874	$ 105	$ 343	$ (2)

Net income and comprehensive income were the same for the three and six months ended June 30, 2009 and 2008, respectively.

3. Fair Value of Debt

The fair value of our short-term and long-term debt, excluding capital leases, is determined based on market quotes for similar terms and maturities or future cash flows discounted at current rates. The fair value of our long-term and short-term debt, excluding capital leases, was approximately $1,496 million and $1,268 million at June 30, 2009 and December 31, 2008, respectively, as compared to the carrying value of approximately $1,466 million and $1,299 million at June 30, 2009 and December 31, 2008, respectively.

4. Commitments and Contingencies

Various legal actions and regulatory proceedings are pending to which we are a party and claims which, if asserted, may lead to other legal actions. We have established reserves for specific liabilities in connection with regulatory and legal matters that we currently deem to be probable and estimable. We do not expect that the ultimate resolution of pending

regulatory and legal matters in future periods will have a material effect on our financial condition, but it could have a material effect on our results of operations.

From time to time, state regulatory decisions require us to assure customers that we will provide a level of service performance that falls within prescribed parameters. There are penalties associated with failing to meet those service parameters and we, from time to time, pay such penalties. We do not expect these penalties to have a material effect on our financial condition, but they could have a material effect on our results of operations.

5. Subsequent Event

On August 3, 2009, we declared a dividend in the amount of $153 million to our parent, Verizon.