

Not included in consolidated revenues are the revenues associated with the Bell Atlantic NYNEX Mobile joint venture, which exceeded \$1.7 billion for the year, and increased 29.7 percent and 31.4 percent for the quarter and full year respectively. The revenue growth reflected a record increase of 383,000 net additional customers in the quarter, up 13 percent over the prior quarter, and a 43.4 percent growth in customers since year-end 1994.

Across-the-board productivity gains in the fourth quarter and the full year enabled NYNEX to continue its investment in the business while expanding operating margins by 1.5 and 2.2 percentage points respectively, finishing the full year at 21.3 percent. As a result, operating income grew 11.8 percent for the quarter, and ended the year at \$2.8 billion, up 15.9 percent over 1994.

"We made significant progress in building shareholder value, both in the quarter and for the full year," said NYNEX Chairman and Chief Executive Officer Ivan G. Seidenberg. "At the start of 1995, we said NYNEX would focus on growth -- of revenues, productivity, and earnings -- and we delivered.

"I'm particularly pleased with our ability to simultaneously accelerate top-line growth and drive productivity. Our sustained improvement in productivity enabled us to continue to invest in marketing, service and process improvements while at the same time expanding our operating margins and increasing our cash flow and earnings.

"1995 was also a year of critical strategic accomplishments. Our new state incentive regulation agreements provide the right framework for growth, and we are very well positioned to make the most of impending Federal legislation. We formed alliances and made investments to capitalize on high-growth markets in wireless, information and entertainment services, and in select international markets. These strategic achievements, combined with our continued focus on business fundamentals, will allow us to maintain the momentum we built in 1995."

Telecommunications

Telecommunications revenue growth of 3.3 percent for the quarter and 3.0 percent for the year was fueled by strong demand and aggressive marketing. Access lines increased by 561,000 to 17.1 million, with record growth of 3.4 percent over the end of 1994, and access usage grew 10.4 percent for the quarter and 8.6 percent for the full year. Nearly 60 percent of the residence telephone lines gained in 1995 were additional lines. Sales of value-added services such as PhoneSmart(sm), Voice Messaging and Voice Dialing rose more than 40 percent, and the number of

ISDN lines nearly doubled, bringing the number in service to more than 90,000. Private line revenues, led by sales of NYNEX Enterprise Services, rose more than 3.0 percent for the year, marking their first year of growth since the mid-1980s. In addition, NYNEX rapidly used its new pricing flexibility to introduce a variety of new optional calling plans for business and residence customers in New York that have sold extremely well since their introduction in mid-September.

Fourth quarter operating margin of 25.3 percent increased 1.0 percentage point over the fourth quarter of 1994. For the full year, operating margin increased 2.7 percentage points to 24.9 percent, resulting in a 15.3 percent increase in operating income for the year to \$3.0 billion. Operating cash flow for 1995 also improved, increasing 6.5 percent over 1994.

Cellular Joint Venture

Bell Atlantic NYNEX Mobile Communications (BANM) expanded its market at the rate of 6,000 net new customers a day in the fourth quarter, totaling 383,000 for the quarter and setting the cellular industry record for quarterly net additions. The jointly managed partnership ended the year with 3.4 million customers, up 43.4 percent since the close of 1994, and with revenues of \$1.7 billion up 31.4 percent over 1994. BANM achieved this growth through innovative, value-priced offerings such as TalkAlong(sm) and MobileReach(R) roaming, which enables BANM customers to take advantage of the largest single cellular service territory in the United States, stretching from Maine to South Carolina.

Among BANM's other accomplishments in the fourth quarter were a 17 percent reduction in acquisition cost, to \$202 per customer; a 76 percent reduction in fraud expense; an increase in operating cash flow of 134.5 percent; and a near-doubling of operating cash flow margin to 44.2 percent. The partnership's pretax income for the quarter was \$132.1 million; the comparable figure for the same period last year was \$24.9 million.

Other Operations

NYNEX Information Resources Company (NIRC) increased fourth quarter revenues to \$235.7 million, a 5.0 percent rise from the fourth quarter of 1994. Stronger sales and process improvements in the quarter combined to increase operating income 40.0 percent to \$13.3 million. Full-year revenues grew 5.4 percent to \$943.1 million, with operating income rising 9.4 percent to \$67.2 million.

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NIRC's on-line directory, the NYNEX Interactive Yellow Pages(sm) on the Internet's World Wide Web, grew rapidly since its introduction in January 1995, as the number of uses by customers increased from approximately 1,400 to 70,000 a day, reflecting the increase in Interactive Yellow Page business listings from two million regional to 16.5 million nationwide listings at the end of the year.

NYNEX CableComms, the corporation's United Kingdom cable television and telecommunications subsidiary, more than doubled its revenues for the fourth quarter and for the year as a whole, to \$43.8 million and \$134.3 million respectively. Revenues increased as a result of strong volume growth in each of CableComms' businesses: the number of cable television customers grew 61 percent from 1994 to 197,000; the number of residence telecommunications lines increased 135 percent to more than 232,500; and the number of business telecommunications lines increased 168 percent for the year to more than 14,000. In addition, by repackaging its product mix, CableComms increased its pay-to-basic ratio from 156 percent to 209 percent during the year, with the bulk of the increase coming in the fourth quarter. CableComms passed more than 135,000 homes in the fourth quarter, and has now passed a total of 1.2 million of the 2.7 million homes in its franchise areas.

In 1995 TelecomAsia, NYNEX's strategic alliance to build a two-million-line network in Bangkok, Thailand, brought the total number of lines installed to 1.5 million, and prepared to begin construction of the additional 600,000 lines approved by the Thai government. UTV, a TelecomAsia subsidiary, now offers cable television services over the fiber optic backbone of the TelecomAsia network.

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NYNEX CORPORATION
Financial Results
(Unaudited)
FOURTH QUARTER 1995

(in millions, except EPS and percentages)	Reported		Adjusted ^(a)	
	3 Months Ended		3 Months Ended	
	12/31/95	12/31/94	12/31/95	12/31/94
	-----	-----	-----	-----
Operating revenues	\$ 3,304.3	\$ 3,390.9	\$ 3,318.9	\$ 3,181.6
Operating expenses	2,809.7	2,942.4	2,597.9	2,536.5
Operating income	494.6	448.5	721.0	645.1
Operating margin	14.97%	13.23%	21.72%	20.28%
EBITDA (operating cash flow)*	1,125.8	1,126.0	1,352.2	1,300.0
EBITDA margin	34.07%	33.21%	40.74%	40.86%
Net income	235.6	198.3	378.7	339.1
Earnings per share	\$0.55	\$0.47	\$0.88	\$0.80
Wghtd. avg. shares outstanding	431.0	422.8	431.0	422.8

*EBITDA refers to operating income plus depreciation and amortization._

(a) Quarterly results for both years adjusted for costs of an enhanced pension offer. Charges for the fourth quarter of 1995 are \$143.1 million after taxes, or \$0.33 per share. During the fourth quarter, approximately 1,800 employees accepted the pension offer. Fourth quarter 1994 charges, for approximately 2,100 employees who accepted the pension offer, totaled \$140.8 million after taxes, or \$0.33 per share. NYNEX previously announced that approximately \$1.3 billion in after-tax charges are to be recorded as 16,800 employees leave NYNEX through Dec. 31, 1996 under a force reduction plan. In addition, since NYNEX's participation in the NYNEX-Bell Atlantic cellular partnership is reported on an equity basis, fourth quarter 1994 revenues and expenses have been adjusted to permit comparison with fourth quarter 1995 results.

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NYNEX CORPORATION
 Financial Results
 (Unaudited)
 12 MONTHS 1995

(in millions, except EPS and percentages)	Reported		Adjusted ^(a)	
	12 Months Ended		12 Months Ended	
	12/31/95	12/31/94	12/31/95	12/31/94
Operating revenues	\$13,406.9	\$ 13,306.6	\$13,062.3	\$12,586.6
Operating expenses	11,314.7	11,550.4	10,281.6	10,187.8
Operating income	2,092.2	1,756.2	2,780.7	2,398.8
Operating margin	15.61%	13.20%	21.29%	19.06%
EBITDA (operating cash flow)*	4,659.0	4,396.8	5,296.3	4,957.0
EBITDA margin	34.75%	33.04%	40.55%	39.38%
Earnings before extraordinary item	1,069.5	792.6	1,396.5	1,245.4
Extraordinary item	(2,919.4)	----	----	----
Net income (loss)	(1,849.9)	792.6	1,396.5	1,245.4
Earnings per share before extraordinary item	\$ 2.50	\$1.89	\$ 3.27	\$2.97
Earnings (loss) per share	\$(4.34)	\$1.89	\$ 3.27	\$2.97
Wghtd. avg. shares outstanding	426.5	418.8	426.5	418.8

*EBITDA refers to operating income plus depreciation and amortization.

(a) 1995 results adjusted for discontinuance of accounting under SFAS 71; costs of the corporation's enhanced pension offer; net gains resulting from the sale of certain NYNEX Mobile Communications assets and actuarial changes associated with the NYNEX-Bell Atlantic cellular partnership; a gain related to an initial public offering of equity in NYNEX CableComms; a change in presentation of certain taxes other than income, and special charges to meet various tax, benefit and legal obligations and contingencies. 1994 results adjusted for the enhanced pension offer. In addition, since NYNEX's participation in the NYNEX-Bell Atlantic cellular partnership is reported on an equity basis, 1994 and 1995 revenues and expenses have been adjusted to permit comparison. 1995 pension charges, for approximately 4,700 employees who accepted the pension offer, totaled \$326.8 million after taxes, or \$0.77 per share. 1994 pension charges, for approximately 7,200 employees who accepted the pension offer, totaled \$452.8 million after taxes, or \$1.08 per share. NYNEX previously announced that approximately \$1.3 billion in after-tax charges are to be recorded as 16,800 employees leave NYNEX through Dec. 31, 1996 under a force reduction plan. Total effect on results:

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(in millions except EPS)	12 Months 1995		12 Months 1994	
	Net Income (loss)	EPS	Net Income (loss)	EPS
Reported net income (loss), EPS:	\$ (1,849.9)	\$ (4.34)	\$ 792.6	\$ 1.89
Adjusted net income, EPS:	\$ 1,396.5	\$ 3.27	\$ 1,245.4	\$ 2.97
Gains and (charges):				
Enhanced pension offer	(326.8)	(0.77)	(452.8)	(1.08)
Gain on CableComms IPO	155.1	0.36	----	----
Discontinuance of SFAS 71	(2,919.4)	(6.84)	----	----
Net of special charges and gains from cellular partnership	(155.3)	(0.36)	----	----
Total effect on net income (loss), EPS:	\$ (3,246.4)	\$ (7.61)	\$ (452.8)	\$ (1.08)

CONSOLIDATED INCOME STATEMENT

(Dollars in Millions)

For the three months ended

	Dec 31, 1995	Dec 31, 1994	Chg	% Chg
OPERATING REVENUES				
Local service.....	\$1,686.2	\$1,667.5	18.7	1.1
Long distance.....	264.8	257.9	6.9	2.7
Network access.....	913.5	880.3	33.2	3.8
Other.....	454.4	375.9	78.5	20.9
	-----	-----		
Subtotal.....	3,318.9	3,181.6	137.3	4.3
	-----	-----		
Cellular*.....	0.0	209.3	(209.3)	(100.0)
Non-recurring items.....	(14.6)	0.0	(14.6)	NM
Total Operating Revenues.....	3,304.3	3,390.9	(86.6)	(2.6)
OPERATING EXPENSES				
Maintenance and support.....	778.7	738.9	39.8	5.4
Depreciation and amortization..	631.2	654.9	(23.7)	(3.6)
Marketing & customer services..	380.8	359.4	21.4	6.0
Taxes other than income taxes..	248.7	240.9	7.8	3.2
Selling, general & admin. costs	398.0	394.9	3.1	0.8
Other.....	160.5	147.5	13.0	8.8
	-----	-----		
Operating Expenses before Cellular*, SPE and Non-recurring Charges....	2,597.9	2,536.5	61.4	2.4
	-----	-----		
Operating Income before Cellular*, SPE, and non-recurring charges....	721.0	645.1	75.9	11.8
Operating Margin (%).....	21.7	20.3	1.4	
	-----	-----		
Cellular*.....	0.0	192.9	(192.9)	(100.0)
Special Pension Enhancements**....	226.4	213.0	13.4	6.3
Non-recurring (Gains) Charges....	(14.6)	0.0	(14.6)	NM
Total Operating Expenses	2,809.7	2,942.4	(132.7)	(4.5)
	-----	-----		
OPERATING INCOME.....	494.6	448.5	46.1	10.3
Gain on sale of stock by subsidiary	0.0	0.0	0.0	NM
Income/(Loss) from L/T investments***	44.6	10.9	33.7	309.2
Other income(expense) - net.....	(25.0)	(3.2)	(21.8)	(681.3)
Interest expense.....	156.9	180.6	(23.7)	(13.1)
Earnings before income taxes and Extraordinary item.....	357.3	275.6	81.7	29.6
Income taxes.....	121.7	77.3	44.4	57.4
	-----	-----		
NET INCOME-As reported.....	\$ 235.6	\$ 198.3	37.3	18.8
	-----	-----		
Net INCOME-Normalized.....	\$ 378.7	\$ 339.1	39.6	11.7

NM - Not meaningful

*Companies previously consolidated

Includes Cellular *For 1994, \$10.9 million of income/(loss) from long term investments was split out from Other income/(expense) - net. The \$10.9 million includes Cellular minority interest expense of \$8.2 million.

CONSOLIDATED INCOME STATEMENT

(Dollars in Millions)

For the twelve months ended

	Dec 31, 1995	Dec 31, 1994	Chg	% Chg
OPERATING REVENUES				
Local service.....	\$6,722.2	\$6,605.4	116.8	1.8
Long distance.....	1,039.2	1,081.2	(42.0)	(3.9)
Network access.....	3,612.7	3,447.0	165.7	4.8
Other.....	1,688.2	1,453.0	235.2	16.2
Subtotal.....	13,062.3	12,586.6	475.7	3.8
Cellular*.....	399.8	720.0	(320.2)	(44.5)
Non-recurring items.....	(55.2)	0.0	(55.2)	NM
Total Operating Revenues.....	13,406.9	13,306.6	100.3	0.8
OPERATING EXPENSES				
Maintenance and support.....	3,069.0	3,039.7	29.3	1.0
Depreciation and amortization..	2,515.6	2,558.2	(42.6)	(1.7)
Marketing & customer services..	1,422.2	1,415.7	6.5	0.5
Taxes other than income taxes..	985.0	964.5	20.5	2.1
Selling, general & admin. costs	1,659.8	1,639.0	20.8	1.3
Other.....	630.0	570.7	59.3	10.4
Operating Expenses before Cellular*, SPE and Non-recurring Charges....	10,281.6	10,187.8	93.8	0.9
Operating Income before Cellular*, SPE, and non-recurring charges...	2,780.7	2,398.8	381.9	15.9
Operating Margin (%).....	21.3	19.1	2.2	
Cellular*.....	336.2	669.1	(332.9)	(49.8)
Special Pension Enhancements**....	514.1	693.5	(179.4)	(25.9)
Non-recurring (Gains) Charges....	182.8	0.0	182.8	NM
Total Operating Expenses	11,314.7	11,550.4	(235.7)	(2.0)
OPERATING INCOME.....	2,092.2	1,756.2	336.0	19.1
Gain on sale of stock by subsidiary	264.1	0.0	264.1	NM
Income/(Loss) from L/T investments***	65.4	16.0	49.4	308.8
Other income(expense) - net.....	22.6	(2.1)	24.7	NM
Interest expense.....	733.9	673.8	60.1	8.9
Earnings before income taxes and Extraordinary item.....	1,710.4	1,096.3	614.1	56.0
Income taxes.....	640.9	303.7	337.2	111.0
Earn. before Extraordinary item..	1,069.5	792.6	276.9	34.9
Extraordinary item for the discontinuance of regulatory acct'g principles, net of tax...	(2,919.4)	0.0	(2,919.4)	NM
NET INCOME -As reported.....	\$(1,849.9)	\$ 792.6	(2,642.5)	(333.4)
NET INCOME-Normalized.....	\$ 1,396.5	\$1,245.4	151.1	12.1

NM - Not meaningful *Companies previously consolidated
 Includes Cellular *For 1995, \$65.4 million of inc/(loss) from long-term invest.
 was split out from Other inc./(exp.)-net. The \$65.4 million includes Cellular minority
 int. exp. of \$27.5 million. For 1994, \$16.0 million of inc.(loss)from long-term
 invest. was split out from Other inc./(exp.)-net. The \$16.0 million includes Cellular
 minority int. exp of \$41.7 million.

NYNEX
1995 SUMMARY FINANCIALS
(\$) MILLIONS

(except per share amounts)

	1995 Reported	FAS 71	Nonrecurring Gains & Charges	SPE	Change in TOTI Presentation	BANM Cellular Alliance	1995 Adjusted
Operating Revenues	\$13,406.9				(\$55.2)	\$399.8	\$13,062.3
Expenses	\$8,747.9		\$235.7	\$514.1	(\$55.2)	\$287.3	\$7,766.0
Depreciation	2,566.8		2.3			48.9	2,515.6
Operating Expenses	\$11,314.7		\$238.0	\$514.1	(\$55.2)	\$336.2	\$10,281.6
Operating Income	\$2,092.2		(\$238.0)	(\$514.1)	\$0.0	\$63.6	\$2,780.7
Operating Margin							21.3%
EBITDA	\$4,659.0		(\$235.7)	(\$514.1)	\$0.0	\$112.5	\$5,296.3
EBITDA Margin							40.6%
Gain on sale of stock by subsidiary	\$264.1		\$264.1				\$0.0
Income/(Loss) from L/T Investments	\$65.4		(\$3.0)			(\$63.6)	\$132.0
Other Income/(Exp)	\$22.6		\$53.5				(\$30.9)
Interest	\$733.9		\$1.8				\$732.1
Income Taxes	\$640.9		\$75.0	(\$187.3)	\$0.0	\$0.0	\$753.2
Effective Tax Rate							35.0%
Net Income (before Acct'g Chg)	\$1,069.5	\$0.0	(\$0.2)	(\$326.8)	\$0.0	\$0.0	\$1,396.5
EPS	\$2.50	\$0.00	\$0.00	(\$0.77)	\$0.00		\$3.27
Accounting Change	(\$2,919.4)	(\$2,919.4)					\$0.0
Net Income	<u>(\$1,849.9)</u>	<u>(\$2,919.4)</u>	<u>(\$0.2)</u>	<u>(\$326.8)</u>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$1,396.5</u>
EPS	(\$4.34)	(\$6.84)		(\$0.77)			\$3.27

NYNEX CORPORATION
STATISTICAL INFORMATION

TABLE 3

	For the three months ended		Chg	% Chg
	Dec 31, 1995	Dec 31, 1994		
Earnings Per Share (Reported)....	\$0.55	\$0.47	.08	17.0
Earnings Per Share (Normalized)..	\$0.88	\$0.80	.08	10.0
Weighted Avg # Shares Outstd(M)..	431.04	422.78	8.26	2.0
# Shares Outstanding EOP(M)	432.42	423.57	8.85	2.1
Debt Ratio EOP (%).....	61.77	52.90	8.87	
Dividends Declared Per Share	\$0.59	\$0.59	\$0.00	0.0
Book Value.....	\$14.06	\$20.26	(\$6.20)	(30.6)
Return on Avg Stckhldrs' Eqty (%)	15.31	9.12	6.19	
Return on Avg Total Capital (%)..	10.22	7.90	\$2.32	
Total Employees (EOP).....	65,776	70,562	(4,786)	(6.8)
Construction (M).....	\$1,067.3	\$ 917.0	\$150.3	16.4
Total Assets (B).....	\$26.22	\$30.07	(\$3.85)	(12.8)
EBITDA (M)*.....	\$1,352.2	\$1,300.0	\$52.2	4.0
EBITDA Margin (%)*.....	40.7	40.9	(0.2)	

* Normalized for Non-Recurring charges, SPE and Cellular

NYNEX CORPORATION
STATISTICAL INFORMATION

TABLE 4

	For the twelve months ended			% Chg
	Dec 31, 1995	Dec 31, 1994	Chg	
Earnings Per Share (Reported)....	(\$4.34)	\$1.89	(\$6.23)	NA
Earnings Per Share (Normalized)..	\$3.27	\$2.97	\$0.30	10.1
Weighted Avg # Shares Outstd(M)..	426.55	418.75	7.75	1.9
# Shares Outstanding EOP(M)	432.42	423.57	8.85	2.1
Debt Ratio EOP (%).....	61.77	52.90	8.87	
Dividends Declared Per Share	\$2.36	\$2.36	\$0.00	0.0
Book Value.....	\$14.06	\$20.26	(\$6.20)	(30.6)
Return on Avg Stckhldrs' Eqty (%)	(25.36)	9.18	(34.54)	
Return on Avg Total Capital (%)..	(6.55)	7.71	(14.26)	
Total Employees (EOP).....	65,776	70,562	(4,786)	(6.8)
Construction (M).....	\$3,197.9	\$3,027.0	\$170.6	5.6
Total Assets (B).....	\$26.22	\$30.07	(\$3.85)	(12.8)
EBITDA (M)*.....	\$5,296.3	\$4,957.0	\$339.3	6.8
EBITDA Margin (%)*.....	40.6	39.4	1.2	

* Normalized for Non-Recurring charges, SPE and Cellular

NYNEX CORPORATION
CONSOLIDATED BALANCE SHEET

TABLE 5

(Dollars in millions)

	Dec 31, 1995 (Unaudited)	Dec. 31, 1994 (Audited)
ASSETS		
Current Assets:		
Cash & temporary cash investments.....	\$ 93.2	\$ 137.5
Receivables-net.....	2,636.2	2,532.5
Inventories.....	141.3	173.3
Prepaid expenses.....	360.2	361.2
Deferred charges & other current assets.....	456.5	593.5
Total current assets.....	3,687.4	3,798.0
Property, plant and equipment.....	35,734.6	35,467.1
Less: accumulated depreciation.....	(18,679.3)	(14,843.7)
	17,055.3	20,623.4
Investment in unconsolidated subs.....	3,286.2	1,999.4
Deferred charges & other assets	2,191.1	3,647.2
TOTAL ASSETS.....	\$ 26,220.0	\$ 30,068.0
LIABILITIES		
Current Liabilities:		
Accounts payable.....	\$ 2,902.2	\$ 2,668.2
Short-term debt.....	2,446.0	2,128.8
Other current liabilities.....	583.7	1,053.5
Total current liabilities.....	5,931.9	5,850.5
Long-term debt.....	7,397.5	7,784.5
Deferred income taxes.....	1,694.5	3,364.7
Unamortized investment tax credits.....	154.5	304.4
Other long-term liabilities & deferred credits..	3,885.0	3,615.3
Minority Interest.....	1,077.4	567.2
Stockholders' Equity:		
Common stock - \$1 par value.....	447.2	439.7
Additional paid-in capital.....	6,566.9	6,942.0
Retained earnings.....	0.0	2,208.2
Treasury stock - shares at cost.....	(591.1)	(644.3)
Deferred Compensation - LESOP Trust.....	(343.8)	(364.2)
TOTAL STOCKHOLDERS' EQUITY.....	6,079.2	8,581.4
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY...	\$ 26,220.0	\$ 30,068.0

NYNEX CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

TABLE 6

(Dollars in Millions)

For the twelve months ended

	Dec 31, 1995	Dec 31, 1994
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Cash flows from operating activities:		
Net income.....	\$(1,849.9)	\$792.6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	2,566.8	2,640.6
Amortization of unearned lease income-net.....	(92.1)	(82.0)
Deferred income taxes - net.....	156.6	(160.2)
Deferred credits - net.....	(42.0)	(49.8)
Extraordinary items, net of tax.....	2,919.4	0.0
Gain on sale of subsidiary stock.....	(264.1)	0.0
Change in operating assets and liabilities:		
Receivables.....	(212.9)	(93.4)
Inventories.....	25.9	(4.1)
Prepaid expenses.....	(12.3)	(55.0)
Deferred charges and other current assets.....	118.3	255.9
Accounts payable.....	359.4	(190.2)
Other current liabilities.....	(257.5)	290.2
Other - net.....	232.3	355.1
	-----	-----
Total adjustments.....	5,497.8	2,907.1
	-----	-----
Net cash provided by operating activities.....	3,647.9	3,699.7
Cash flows from investing activities:		
Capital expenditures*.....	(3,188.1)	(3,012.2)
Investment in leased assets.....	(245.4)	(173.8)
Cash received from leasing activities.....	85.9	67.0
Other investing activities - net.....	(518.4)	(43.6)
	-----	-----
Net cash used in investing activities.....	(3,866.0)	(3,162.6)
Cash flows from financing activities:		
Issuance of commercial paper and short-term debt...	13,940.3	18,230.0
Repayment of commercial paper and short-term debt..	(13,981.2)	(19,905.6)
Issuance of long-term debt.....	136.4	1,556.2
Repayment of L-T debt, call prem. and cap leases...	(144.5)	(127.9)
Issuance of Common Stock.....	222.7	213.2
Dividends paid.....	(899.4)	(882.5)
Minority Interest.....	289.2	359.2
Proceeds from sale of subsidiary stock.....	610.3	0.0
	-----	-----
Net cash used in financing activities.....	173.8	(557.4)
	-----	-----
Net inc.(dec.) in cash and temp. cash investments....	(44.3)	(20.3)
Cash and temp. cash investments at beg. of period....	137.5	157.8
	-----	-----
Cash and temp. cash investments at end of period.....	\$93.2	\$137.5
	-----	-----

* Exc. adds under cap. lease oblig.

SEGMENT INFORMATION

(MILLIONS)

FOR THE THREE MONTHS ENDED

	Dec 31,			
	1995	1994	CHANGE	% CHANGE
TELECOMMUNICATIONS				
UNAFFILIATED SALES*	\$3,007.1	\$2,911.0	\$96.1	3.3
INTERSEGMENT SALES	106.8	96.4	10.4	10.8
TOTAL*	\$3,113.9	\$3,007.4	\$106.5	3.5
OPERATING INCOME*	\$761.4	\$708.5	\$52.9	7.5
DEPRECIATION	\$609.2	\$633.0	(\$23.8)	(3.8)
EBITDA*	\$1,370.6	\$1,341.5	\$29.1	2.2
IDENTIFIABLE ASSETS	\$20,206.2	\$24,788.6	(\$4,582.4)	(18.5)
EMPLOYEES	59,680	63,232	(3,552)	(5.6)
ACCESS LINES	17,138	16,578	560	3.4
Residence	11,297	11,092	205	1.8
Business POTS	4,275	4,093	182	4.5
CENTREX	1,366	1,193	173	14.5
Public	200	200	1	0.4
TELECOM EMPL./10K ACC.LNS.	34.82	38.14	(3.32)	(8.7)
ACC.LNS./TELECOM EMPL.	287	262	25	9.5
NETWORK ACCESS (M)				
MOU Interstate	13,507.2	12,431.4	1,075.8	8.7
Intrastate	2,479.2	2,045.9	433.3	21.2
TOTAL	15,986.4	14,477.3	1,509.1	10.4
REV Interstate	\$ 809.1	\$788.3	\$20.8	2.6
Intrastate	\$ 104.4	\$ 92.0	\$12.5	13.6
TOTAL	\$ 913.5	\$880.3	\$33.3	3.8
CONSTRUCTION (M)	\$ 896.1	\$673.6	\$222.5	33.0
FINANCIAL SERVICES				
UNAFFILIATED SALES	\$22.5	\$19.1	\$3.4	17.8
INTERSEGMENT SALES	0.0	0.9	(0.9)	NM
TOTAL	\$22.5	\$20.0	\$2.5	12.5
OPERATING INCOME	\$18.6	\$15.9	\$2.7	17.0
IDENTIFIABLE ASSETS	\$1,873.7	\$1,610.2	\$263.5	16.4
DEBT	\$1,546.0	\$1,466.1	\$79.9	5.4

* Normalized for restructure and special pension enhancements

TABLE 7-2

(MILLIONS)	FOR THE THREE MONTHS ENDED			
	Dec 31,		CHANGE	% CHANGE
	1995	1994		
PUBLISHING				

UNAFFILIATED SALES	\$235.7	\$224.5	\$11.2	5.0
INTERSEGMENT SALES	0.6	0.9	(0.3)	(33.3)
	-----	-----	-----	
TOTAL	\$236.3	\$225.4	\$10.9	4.8
OPERATING INCOME*	\$13.3	\$9.5	\$3.8	40.0
IDENTIFIABLE ASSETS	\$557.6	\$529.0	\$28.6	5.4
OTHER				

UNAFFILIATED SALES	\$53.6	\$27.0	\$26.6	98.5
INTERSEGMENT SALES	0.1	0.6	(0.5)	(83.3)
	-----	-----	-----	
TOTAL	\$53.7	\$27.6	26.1	94.6
OPERATING INCOME*	(\$29.0)	(\$43.9)	\$14.9	33.9
IDENTIFIABLE ASSETS	\$4,501.4	\$3,139.0	\$1,362.4	43.4
NYNEX CABLECOMMS (000)				
CABLE SUBSCRIBERS	197	122	75	61.5
RES TELECOM LINES	233	99	134	135.4
BUS TELECOM LINES	14	5	9	180.0
HOMES PASSED (000)				
RLSD TO SALES-CABLE	1,201	673	528	78.5
RLSD TO SALES-RES TEL	995	624	371	59.5
	946	501	445	88.8
PENETRATION CABLE (%)	19.8	19.5	0.3	
PENETRATION RES TEL (%)	24.6	19.8	4.8	
TELECOMASIA (000)				
LINES INSTALLED*	1,458	991	467	47.1

* Normalized for restructure and special pension enhancements

** Built and turned over to TOT for operation.

(MILLIONS)

FOR THE THREE MONTHS ENDED
Dec 31,
1995 1994

TABLE 7-3

OPERATING INCOME RECONCILIATION

SEGMENTS OPERATING		
INCOME	\$764.3	\$690.0
ADJUSTMENTS		
/ELIMINATIONS	(1.5)	(0.2)
PREVIOUSLY CONSOLIDATED		
(CELLULAR)	0.0	16.4
CORPORATE EXPENSES	(41.8)	(44.7)
NON-RECURRING GAINS/(CHARGES)		
AND SPE	(226.4)	(213.0)
OPERATING INCOME	\$494.6	\$448.5

SEGMENT SUMMARY

REVENUES:

UNAFFILIATED SALES:

TELECOMMUNICATIONS	\$3,007.1	\$2,911.0
ALL OTHER SEGMENTS	311.8	270.6
SUB-TOTAL	\$3,318.9	\$3,181.6

PREVIOUSLY CONSOLIDATED

(CELLULAR)	0.0	209.3
NON-RECURRING ITEMS	(14.6)	0.0
TOTAL CONSOLIDATED REVENUE	\$3,304.3	\$3,390.9

OPERATING INCOME:

TELECOMMUNICATIONS	\$761.4	\$708.2
ALL OTHER SEGMENTS	2.9	(18.2)
TOTAL SEGMENT OPERATING		
INCOME	\$764.3	\$690.0

BELL ATLANTIC NYNEX Mobile
Cellular Operations

FOR THE THREE MONTHS ENDED
Dec 31,

(Unaudited) 1995 1994 % CHANGE

Selected Operating Data

Controlled POPs (000)	(1)	55,840	55,431	0.7
Owned POPs (000)	(2)	53,511	53,102	0.8
Subscribers (000)		3,356	2,340	43.4
Penetration	(3)	6.01%	4.22%	42.4
Churn		1.77%	1.80%	(1.3)
Revenue per Subscriber Acquisition Cost	(4)	\$ 61	\$ 71	(13.3)
per Gross Add	(5)	\$ 202	\$ 244	(17.3)
Cash Expense per Subscriber (\$)		36	52	(30.9)

Selected Financial Data (Dollars in Millions)

Operating Revenues	(6)	\$ 537.2	\$ 422.1	27.3
Less: Cost of Equipment		87.5	75.3	16.2
Net Revenues		449.7	346.8	29.7
Operating Income		132.0	27.3	383.4
Pre-Tax Income	(7)	132.1	24.9	430.0
Operating Cash Flow	(8)	198.9	84.8	134.5
Operating Cash Flow Margin		44%	24%	80.8
Capital Expenditures, excluding acquisitions		\$ 409.9	\$ 248.4	65.0

Footnotes

- (1) Controlled POPs represent the total number of POPs for markets in which BANM has operating control.
- (2) Owned POPs represent BANM percentage ownership in all licensed markets.
- (3) Penetration is calculated by dividing subscribers by controlled POPs.
- (4) Revenue per subscriber is calculated using service revenues, incollect roaming, outcollect roaming, and equipment revenue.
- (5) Acquisition costs include commission expense and net margin on sale of equipment.
- (6) Operating revenues include service revenues, outcollect roaming, and equipment revenues.
- (7) Pre-tax Income represents the income distribution to the two equity partners, Bell Atlantic and NYNEX.
- (8) Operating cash flow equals operating income plus depreciation and amortization.

SEGMENT INFORMATION

(MILLIONS)

FOR THE TWELVE MONTHS ENDED

	Dec 31,			
	1995	1994	CHANGE	% CHANGE
TELECOMMUNICATIONS				
UNAFFILIATED SALES*	\$11,861.8	\$11,511.1	\$350.7	3.0
INTERSEGMENT SALES	393.4	382.3	11.1	2.9
TOTAL	\$12,255.2	\$11,893.4	\$361.8	3.0
OPERATING INCOME*	\$2,958.2	\$2,566.1	\$392.1	15.3
DEPRECIATION	\$2,424.9	\$2,487.1	(\$62.2)	(2.5)
EBITDA*	\$5,383.1	\$5,053.2	329.9	6.5
IDENTIFIABLE ASSETS	\$20,206.2	\$24,788.6	(\$4,582.4)	(18.5)
EMPLOYEES	59,680	63,232	(3,552)	(5.6)
ACCESS LINES	17,138	16,578	560	3.4
Residence	11,297	11,092	205	1.8
Business POTS	4,275	4,093	182	4.5
CENTREX	1,366	1,193	173	14.5
Public	200	200	1	0.4
TELECOM EMPL./10K ACC.LNS.	34.82	38.14	(3.32)	(8.7)
ACC.LNS./TELECOM EMPL.	287	262	25	9.5
NETWORK ACCESS (M)				
MOU Interstate	51,891.6	48,376.1	3,515.6	7.3
Intrastate	9,126.6	7,792.1	1,334.4	17.1
TOTAL	61,018.2	56,168.2	4,849.9	8.6
REV Interstate	\$3,219.7	\$3,092.1	\$127.6	4.1
Intrastate	\$ 393.0	\$ 354.9	\$ 38.1	10.7
TOTAL	\$3,612.7	\$3,447.0	\$165.7	4.8
CONSTRUCTION (M)	\$2,478.5	\$2,337.2	\$141.3	6.0
FINANCIAL SERVICES				
UNAFFILIATED SALES	\$89.7	\$88.5	\$1.2	1.4
INTERSEGMENT SALES	0.1	3.4	(3.3)	NM
TOTAL	\$89.8	\$91.9	(\$2.1)	(2.3)
OPERATING INCOME*	\$70.4	\$69.6	\$0.8	1.1
IDENTIFIABLE ASSETS	\$1,873.7	\$1,610.2	\$263.5	16.4
DEBT	\$1,546.0	\$1,466.1	\$79.9	5.4

* Normalized for restructure and special pension enhancements

TABLE 8-2

(MILLIONS)	FOR THE TWELVE MONTHS ENDED			
	Dec 31,		CHANGE	% CHANGE
	1995	1994		
PUBLISHING				

UNAFFILIATED SALES	\$943.1	\$894.4	\$48.7	5.4
INTERSEGMENT SALES	3.4	3.5	(0.1)	(2.9)
	-----	-----	-----	
TOTAL	\$946.5	\$897.9	\$48.6	5.4
OPERATING INCOME*	\$67.2	\$61.4	5.8	9.4
IDENTIFIABLE ASSETS	\$557.6	\$529.0	\$28.6	5.4
OTHER				

UNAFFILIATED SALES	\$167.7	\$92.6	\$75.1	81.1
INTERSEGMENT SALES	0.7	2.5	(1.8)	(72.0)
	-----	-----	-----	
TOTAL	\$168.4	\$95.1	73.3	77.1
OPERATING INCOME*	(\$130.3)	(\$132.7)	\$2.4	1.8
IDENTIFIABLE ASSETS	\$4,501.4	\$3,139.0	\$1,362.4	43.4
NYNEX CABLECOMMS (000)				
CABLE SUBSCRIBERS	197	122	75	61.5
RES TELECOM LINES	233	99	134	135.4
BUS TELECOM LINES	14	5	9	180.0
HOMES PASSED (000)				
RLSD TO SALES-CABLE	1,201	673	528	78.5
RLSD TO SALES-RES TEL	995	624	371	59.5
	946	501	445	88.8
PENETRATION CABLE (%)	19.8	19.5	0.3	
PENETRATION RES TEL (%)	24.6	19.8	4.8	
TELECOMASIA (000)				
LINES INSTALLED*	1,458	991	467	47.1

* Normalized for restructure and special pension enhancements

** Built and turned over to TOT for operation.

(MILLIONS)

FOR THE TWELVE MONTHS ENDED
DEC 31,
1995 1994

TABLE 8-3

OPERATING INCOME RECONCILIATION

SEGMENTS OPERATING INCOME	\$2,965.5	\$2,564.4
ADJUSTMENTS /ELIMINATIONS	(3.1)	(1.1)
PREVIOUSLY CONSOLIDATED (CELLULAR)	63.6	50.9
CORPORATE EXPENSES	(181.7)	(164.5)
NON-RECURRING GAINS/(CHARGES) AND SPE	(752.1)	(693.5)
OPERATING INCOME	\$2,092.2	\$1,756.2

SEGMENT SUMMARY

REVENUES:		
UNAFFILIATED SALES:		
TELECOMMUNICATIONS	\$11,861.8	\$11,511.1
ALL OTHER SEGMENTS	1,200.5	1,075.5
SUB-TOTAL	\$13,062.3	\$12,586.6
PREVIOUSLY CONSOLIDATED (CELLULAR)	399.8	720.0
NON-RECURRING ITEMS	(55.2)	
TOTAL CONSOLIDATED REVENUE	\$13,406.9	\$13,306.6
OPERATING INCOME:		
TELECOMMUNICATIONS	\$2,957.9	\$2,566.1
ALL OTHER SEGMENTS	7.6	(0.7)
TOTAL SEGMENT OP. INCOME	\$2,965.5	\$2,564.4

BELL ATLANTIC NYNEX Mobile
Cellular Operations

FOR THE TWELVE MONTHS ENDED
Dec 31,

(Unaudited)		1995	1994	% CHANGE
<u>Selected Operating Data</u>				
Controlled POPs (000)	(1)	55,840	55,431	0.7
Owned POPs (000)	(2)	53,511	53,102	0.8
Subscribers (000)		3,356	2,340	43.4
Penetration	(3)	6.01%	4.22%	42.4
Churn		1.75%	1.80%	(3.1)
Revenue per Subscriber Acquisition Cost	(4)	\$ 63	\$ 74	(14.8)
per Gross Add	(5)	\$ 213	\$ 242	(12.1)
Cash Expense per Subscriber (\$)		38	51	(24.9)

Selected Financial Data (Dollars in Millions)

Operating Revenues	(6)	\$1,928.4	\$ 1,478.7	30.4
Less: Cost of Equipment		271.2	217.7	24.5
Net Revenues		1,657.2	1,261.0	31.4
Operating Income		406.1	152.9	165.6
Pre-Tax Income	(7)	379.6	125.4	202.7
Operating Cash Flow	(8)	663.9	363.0	82.9
Operating Cash Flow Margin		40%	29%	39.1
Capital Expenditures, excluding acquisitions		\$ 707.6	\$ 559.2	26.5

Footnotes

- (1) Controlled POPs represent the total number of POPs for markets in which BANM has operating control.
- (2) Owned POPs represent BANM percentage ownership in all licensed markets.
- (3) Penetration is calculated by dividing subscribers by controlled POPs.
- (4) Revenue per subscriber is calculated using service revenues, incollect roaming, outcollect roaming, and equipment revenue.
- (5) Acquisition costs include commission expense and net margin on sale of equipment.
- (6) Operating revenues include service revenues, outcollect roaming, and equipment revenues.
- (7) Pre-tax income represents the income distribution to the two equity partners, Bell Atlantic and NYNEX.
- (8) Operating cash flow equals operating income plus depreciation and amortization.