

NEWS RELEASE

NYNEX

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FOR IMMEDIATE RELEASE

**NYNEX ANNOUNCES RECORD NET INCOME
- Continues Strong Earnings Growth -**

- SECOND QUARTER HIGHLIGHTS* -

- Net income up 11.8 percent.
- Earnings per share increase 9.9 percent, to 89 cents.
- Total revenues, including NYNEXs share of unconsolidated ventures, grow 7.0 percent.
- Operating margin steady at 21.8 percent, as productivity gains are reinvested in service initiatives.
- Unprecedented demand growth in access lines, continued strong growth in cellular and cable customers.

(*) Financial results discussed in this release are adjusted for the effects of various special gains and charges. Also, since NYNEXs participation in the NYNEX-Bell Atlantic cellular partnership is now reported on an equity basis, second quarter 1995 revenues and expenses have been adjusted to permit comparison with second quarter 1996 results. Adjustments, and reported vs. adjusted results, are described in financial tables below.

NEW YORK, July 23, 1996 -- NYNEX Corporation (NYSE:NYN) today announced record net income of \$388.1 million for the second quarter, an increase of 11.8 percent over \$347.0 million in the second quarter of 1995 and the corporations fifth consecutive quarter of double-digit net income growth. Earnings per share of \$0.89 increased 9.9 percent over \$0.81 per share in the second quarter of 1995.

Net income for the first six months of 1996, excluding a gain on the sale of an investment, increased 15.1 percent to \$749.6 million, compared to \$651.0 million in the first six months of 1995. Earnings per share were \$1.72, up 12.4 percent over \$1.53 per share in the same period last year. Including the gain, net income was \$795.4 million, or \$1.83 per share.

Driven by continued strong volume growth and unprecedented demand for access lines, consolidated revenues increased 5.5 percent over the second quarter of 1995 to \$3.4 billion. Bell Atlantic NYNEX Mobile (BANM) revenues, which are not consolidated, grew 29.8 percent. Including

NYNEX's share of revenues from BANM and other unconsolidated businesses, total corporate revenue growth was 7.0 percent.

Operating margin for the quarter held steady at 21.8 percent, with operating income rising 5.5 percent.

"Our results for the quarter were at the top end of our target range for steady, long-term earnings growth of 7 to 10 percent," said NYNEX Chairman and Chief Executive Officer Ivan G. Seidenberg, "and our first six months results position us well to meet our financial goals for the year.

"At the same time, we continue to make progress toward completion of our merger of equals agreement with Bell Atlantic. We have made filings with the appropriate Federal and state regulatory bodies, and we are preparing the prospectus and proxy statement to be issued to shareholders this fall.

"We have been very encouraged by the sustained strong volume growth in the Northeast, which is creating jobs at NYNEX. During the quarter we began a program to hire additional people to help handle the increased demand, and we are also reinvesting savings from process re-engineering and other productivity initiatives to reinforce our customer care and provisioning capabilities.

"We also made excellent progress in the quarter toward entering the long distance market. We signed a unique agreement with Sprint that is helping us enter the market quickly, economically and flexibly, and we expect to begin offering services outside our region very shortly. We are completing the regulatory process at the FCC and in several states, which will take us closer to offering in-region service."

Other Results Of Second Quarter Operations

· Telecommunications revenue grew 2.5 percent over the second quarter of 1995, as record demand for access lines and strong sales of other services more than offset the impact of rate reductions made under state and FCC incentive regulation plans. Value-added service revenues were up 40 percent over the second quarter of 1995, and the number of ISDN lines in service increased more than 66 percent to 107,000. Private line service sales rose for the eighth consecutive quarter, increasing 8.8 percent over the second quarter of 1995. Total access minutes of use grew 9.6 percent. In the first full quarter of intraLATA presubscription, NYNEX increased intrastate usage revenues 2.1 percent, despite rate reductions of \$33 million in New York and Massachusetts. NYNEX's innovative New York calling plans, sales of which have more than doubled since January, played a key role.

· Worldwide NYNEX access lines, including NYNEX's share of its unconsolidated ventures, grew 5.0 percent over the second quarter of 1995. This increase reflects the third consecutive record-setting quarterly gain in the Northeast, where access lines increased 3.8 percent, or 635,000, to 17.5 million. Residence second lines grew 11.5

percent, and business access line growth increased to 7.5 percent, including growth in Centrex sales of 17.3 percent. Overseas operations and partnerships increased access lines 82.3 percent. NYNEX CableComms nearly doubled the number of access lines in service and became the first company in the United Kingdom to offer number portability, and TelecomAsias lines in service in Bangkok rose 57 percent to 830,000.

· Strong growth in the number of worldwide cellular customers continued. Net additions in the quarter at BANM of 247,000 customers increased the total number of BANM subscribers to 3.8 million, up 39.3 percent over the second quarter of last year. In addition, STET Hellas, NYNEXs wireless partnership in Greece, had customer growth of 73.0 percent.

· Cable television subscriber growth at NYNEX CableComms was up nearly 55 percent over the second quarter of 1995, with the ratio of premium to basic units improving more than 40 percentage points to 197 percent.

· Information services grew steadily, as the number of NYNEX Yellow Pages advertisers increased 5.3 percent, including a 16 percent rise in international advertisers. Use of BigYellow(sm), NYNEX Information Resources Companys national on-line business directory, rose 50 percent, maintaining its leadership as one of the most frequently referenced shopping directories on the Internet.

· As of June, FLAG (Fiberoptic Link Around the Globe), of which NYNEX is managing sponsor, had placed more than 1,600 miles of the worlds longest undersea fiber cable, completing the route from Italy to Egypt and beginning the legs from Bombay, India to landing points in Malaysia and Thailand.

NYNEX is a global communications and media corporation that provides a full range of services in the northeastern United States and high-growth markets around the world, including the United Kingdom, Thailand, Gibraltar, Greece, Indonesia, the Philippines, Poland, Slovakia and the Czech Republic. The corporation is a leader in telecommunications, wireless communications, directory publishing and video entertainment and information services.

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NYNEX CORPORATION
Financial Results
(Unaudited)
SECOND QUARTER 1996

(in millions, except EPS and percentages)	Reported		Adjusted ^(a)	
	3 Months Ended		3 Months Ended	
	6/30/96	6/30/95	6/30/96	6/30/95
	-----	-----	-----	-----
Operating revenues	\$ 3,445.8	\$ 3,495.6	\$ 3,445.8	\$ 3,267.7
Operating expenses	2,741.1	3,098.9	2,693.9	2,555.0
Operating income	704.7	396.7	751.9	712.7
Operating margin	20.5%	11.3%	21.8%	21.8%
EBITDA (operating cash flow)*	1,344.5	1,047.0	1,391.7	1,338.1
EBITDA margin	39.0%	30.0%	40.4%	40.9%
Earnings before extraordinary item	358.0	240.8	388.1	347.0
Extraordinary item	--	(2,919.4)	--	--
Net income (loss)	358.0	(2,678.6)	388.1	347.0
Earnings per share before extraordinary item	\$0.82	\$0.56	\$0.89	\$0.81
Earnings (loss) per share	\$0.82	\$(6.28)	\$0.89	\$0.81
Wghtd. avg. shares outstanding	437.4	426.4	437.4	426.4

*EBITDA refers to operating income plus depreciation and amortization.

(a) Results for both years are adjusted for the effects of the corporations enhanced pension offer, which was initiated in 1994 as part of a force reduction plan. Second quarter 1996 after-tax charges were \$30.1 million, or \$0.07 per share, for approximately 810 employees who accepted the pension offer. Second quarter 1995 charges were \$106.2 million after taxes, or \$0.25 per share, for approximately 1,200 employees who accepted the offer. The total number of employees leaving NYNEX under the terms of the offer through 1998 is now expected to be in the range of 19,000 to 20,000. After-tax charges in the range of \$1.4 billion are to be recorded as employees accept the offer. Second quarter 1995 results are also adjusted for a change in presentation of certain taxes other than income, an extraordinary charge for the discontinuance of SFAS 71 accounting, a gain related to an initial public offering of equity in NYNEX CableComms, and special charges to meet various tax, benefit and legal obligations and contingencies. In addition, since NYNEX's participation in the NYNEX-Bell Atlantic cellular partnership is now reported on an equity basis, second quarter 1995 revenues and expenses have been adjusted to permit comparison with second quarter 1996 results.

NYNEX CORPORATION
Financial Results
(Unaudited)
FIRST SIX MONTHS 1996

(in millions, except EPS and percentages)	Reported		Adjusted ^(a)	
	6 Months Ended		6 Months Ended	
	6/30/96	6/30/95	6/30/96	6/30/95
	-----	-----	-----	-----
Operating revenues	\$ 6,699.8	\$ 6,849.8	\$ 6,768.8	\$6,415.8
Operating expenses	5,557.6	5,880.1	5,306.6	5,060.9
Operating income	1,142.2	969.7	1,462.2	1,354.9
Operating margin	17.0%	14.2%	21.6%	21.1%
EBITDA (operating cash flow)*	2,422.3	2,282.4	2,742.3	2,618.7
EBITDA margin	36.2%	33.3%	40.5%	40.8%
Earnings before extraordinary item and cumulative effect of change in accounting principle	571.8	491.0	795.4	651.0
Extraordinary item	-----	(2,919.4)	-----	-----
Cumulative effect of change in accounting principle	131.0	--	--	--
Net income (loss)	702.8	(2,428.4)	795.4	651.0
Earnings per share before extraordinary item and cumulative effect of change in accounting principle	\$1.31	\$1.15	\$1.83	\$1.53
Earnings (loss) per share	\$1.61	\$(5.71)	\$1.83	\$1.53
Wghtd. avg. shares outstanding	435.5	425.3	435.5	425.3

*EBITDA refers to operating income plus depreciation and amortization.

(a) Results for both periods adjusted for the effects of an enhanced pension offer, which was initiated in 1994 as part of a force reduction plan, and a change in presentation of certain taxes other than income. First half 1996 pension charges were \$96.6 million after taxes, or \$0.22 per share, for approximately 1,770 employees who elected to leave the company under terms of the pension offer. First half 1995 pension charges were \$160.0 million after taxes, or \$0.38 per share, for approximately 2,100 employees who elected to leave under terms of the pension offer. The total number of employees leaving NYNEX under the terms of the offer through 1998 is now expected to be in the range of 19,000 to 20,000. After-tax charges in the range of \$1.4 billion are to be recorded as employees accept the offer. First half 1996 results also adjusted for a gain from the cumulative effect of a change in accounting for directory advertising revenues and expenses to reflect revenues and expenses upon publication rather than over the life of the directory; and special charges to meet various legal,

regulatory and other obligations and contingencies. Adjusted first half 1996 results include an after-tax gain of \$45.8 million, or \$0.11 per share, from the sale of NYNEX's interest in Vanstar Corporation. First half 1995 results also adjusted for an extraordinary charge resulting from discontinuance of accounting under SFAS 71; a gain related to an initial public offering of equity in NYNEX CableComms; and special charges to meet various tax, benefit and legal obligations and contingencies. In addition, since NYNEXs participation in the NYNEX-Bell Atlantic cellular partnership is now reported on an equity basis, first half 1995 revenues and expenses have been adjusted to permit comparison with first half 1996 results.

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