VERIZON COMMUNICATIONS INC
Form 424B2
January 26, 2017
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Filed pursuant to Rule 424(b)(2)
Registration No. 333-213439

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed Maximum Offering Price per unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
	US$	US$	US$	US$
$1,475,000,000 4.95% Notes due 2047	1,475,000,000	100.00%	1,475,000,000	170,952.50

(1) Calculated in accordance with Rule 457(r) of the US Securities Act of 1933, as amended.

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Prospectus Supplement

(To Prospectus Dated September 1, 2016)

Verizon Communications Inc.

$1,475,000,000 4.95% Notes due 2047

We are offering $1,475,000,000 of our notes due 2047 (the notes). The notes will bear interest at the rate of 4.95% per year. Interest on the notes is payable in arrears on February 11 and August 11 of each year, beginning on August 11, 2017. The notes will mature on February 11, 2047.

We may redeem the notes, in whole but not in part, on each February 11, on or after February 11, 2020 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the date of redemption. See Description of the Notes Optional Redemption. We may also redeem the notes prior to the maturity thereof under the circumstances described under Description of the Notes Tax Redemption.

The notes will be our senior unsecured obligations and will rank equally with all of our unsecured and unsubordinated indebtedness. The notes will be issued in fully registered form and will be offered and sold in minimum denominations of $100,000 and integral multiples of $1,000 in excess of $100,000.

Neither the U.S. Securities and Exchange Commission (SEC) nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Investing in the notes involves risks. See Risk Factors beginning on page S-2 of this prospectus supplement and the risks discussed elsewhere in this prospectus supplement, the accompanying prospectus and the documents and reports we file with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Notes	Total
Public Offering Price[(1)]	100.00%	$ 1,475,000,000
Underwriting Commission	0.10%	$ 1,475,000
Proceeds to Verizon Communications Inc. (before expenses)[(2)]	99.30%	$ 1,464,675,000

(1) Plus accrued interest, if any, from February 10, 2017, to the date of delivery.

(2) The net proceeds to Verizon reflect the public offering price set forth above as reduced by (a) the underwriting commission set forth above and (b) an aggregate fee of $8,850,000 that Verizon will pay to Morgan Stanley & Co. LLC, Deutsche Bank AG, Taipei Branch, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc. in connection with structuring services that they provided in connection with the notes. Morgan Stanley & Co. LLC, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc., as entities not licensed in the Republic of China (ROC), have not offered or sold, and will not subscribe for, underwrite or sell, any notes offered hereby.

Application will be made to the Taipei Exchange (the TPEx) for the listing of, and permission to deal in, the notes by way of debt issues to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only and such permission is expected to become effective on or about February 10, 2017. The TPEx is not responsible for the contents of this prospectus supplement or the accompanying prospectus and no representation is made by the TPEx as to the accuracy or completeness of this prospectus supplement or the accompanying prospectus. The TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this prospectus supplement or the accompanying prospectus. Admission to the listing and trading of the notes on the TPEx shall not be taken as an indication of the merits of us or the notes. No assurance can be given that such applications will be granted.

The notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC, which currently include: overseas or domestic (i) banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Organization Act of the Financial Supervisory Commission of the ROC, (ii) fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Future Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognized by the Financial Supervisory Commission of the ROC. Purchasers of the notes are not permitted to sell or otherwise dispose of the notes except by transfer to a professional institutional investor.

The underwriters are severally underwriting the notes being offered. The underwriters expect to deliver the notes in book-entry form only through the facilities of Euroclear, S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, against payment on or about February 10, 2017.

BNP Paribas, Taipei Branch **Deutsche Bank AG, Taipei Branch**

January 25, 2017

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ABOUT THIS PROSPECTUS SUPPLEMENT

You should read this prospectus supplement along with the accompanying prospectus carefully before you invest. Both documents contain important information you should consider when making your investment decision. This prospectus supplement contains information about the specific notes being offered, and the accompanying prospectus contains information about our debt securities generally. This prospectus supplement may add, update or change information in the accompanying prospectus. You should rely only on the information provided or incorporated by reference in this prospectus supplement, the accompanying prospectus, any related free writing prospectus and the documents incorporated by reference herein and therein, which are accurate as of their respective dates. We have not authorized anyone else to provide you with different information.

To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information contained in this prospectus supplement shall control. If any statement in this prospectus supplement conflicts with any statement in a

document which we have incorporated by reference, then you should consider only the statement in the more recent document.

In this prospectus supplement, we, our, us and Verizon refer to Verizon Communications Inc. and its consolidated subsidiaries.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of these documents at the SEC s public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room. Our SEC filings are also available to the public on the SEC s website at http://www.sec.gov.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents we have filed with the SEC and the future filings we make with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (excluding any information furnished pursuant to Item 2.02 or Item 7.01 on any Current Report on Form 8-K):

- Verizon s Annual Report on Form 10-K for the year ended December 31, 2015;
- Verizon s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016;
- Verizon s Current Reports on Form 8-K filed on April 1, 2016, May 11, 2016, June 9, 2016, July 25, 2016, July 29, 2016, August 1, 2016, September 1, 2016, November 2, 2016, November 4, 2016 and December 20, 2016 and amended Current Report on Form 8- K/A filed on June 2, 2016; and
- the description of Verizon s Common Stock contained in the registration statement on Form 8-A filed on March 12, 2010, under Section 12(b) of the Exchange Act, including any amendment or report filed for the purpose of updating that description.

You may request a copy of these filings, at no cost, by contacting us at:

Investor Relations

Verizon Communications Inc.

One Verizon Way

Basking Ridge, New Jersey 07920

Telephone: (212) 395-1525

Internet Site: www.verizon.com/investor

You should rely only on the information incorporated by reference or provided in this prospectus, any supplement or any pricing supplement. We have not authorized anyone else to provide you with different information. The

information on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

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RECENT DEVELOPMENTS

On January 24, 2017, we announced our unaudited preliminary results for the fourth quarter and full year 2016. For the fourth quarter 2016, we reported net income attributable to Verizon of $4.5 billion, or $1.10 per diluted share, compared with net income of $5.4 billion, or $1.32 per share, in the fourth quarter 2015. Reported earnings in both quarters include non-operational items primarily related to the annual actuarial valuation of benefit plans and mark-to-market pension adjustments and severance related costs. For the full year 2016, we reported earnings attributable to Verizon of $13.1 billion, or $3.21 per diluted share, compared with $17.9 billion, or $4.37 per diluted share, in 2015.

During the fourth quarter 2016, consolidated operating revenues were $32.3 billion, a decrease of 5.6% compared to the fourth quarter 2015. Annual consolidated operating revenues were $126.0 billion in 2016, a decrease of 4.3% compared to $131.6 billion in 2015.

Total operating expenses were $24.3 billion in the fourth quarter 2016 and $98.9 billion for the full year 2016, a decrease of 0.8% and an increase of 0.4%, respectively, from the corresponding periods in 2015.

Total operating revenues from our Wireless segment were $23.4 billion for the fourth quarter 2016 and $89.2 billion for the full year 2016, a decrease of 1.5% and 2.7%, respectively, from the corresponding periods in 2015. Wireless total operating expenses were $17.1 billion for the fourth quarter 2016 and $59.3 billion for the full year 2016, an increase of 0.8% and a decrease of 3.8%, respectively, from the corresponding periods in 2015. Total operating revenues from our Wireline segment were $7.8 billion for the fourth quarter 2016 and $31.3 billion for the full year 2016, a decrease of 3.1% and 2.3%, respectively, from the corresponding periods in 2015. Wireline total operating expenses were $7.4 billion for the fourth quarter 2016 and $31.3 billion for the full year 2016, a decrease of 8.2% and 4.0%, respectively, from the corresponding periods in 2015.

Cash flows from operating activities were $22.7 billion for the full year 2016, compared with $38.9 billion in 2015. In 2016, net cash used in investing activities was $11.0 billion, including $17.1 billion in capital expenditures. Net cash used in financing activities was $13.3 billion in 2016. Our total debt decreased by $1.7 billion compared with year-end 2015, to $108.1 billion at year-end 2016.

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RISK FACTORS

An investment in the notes involves risks. Before making an investment decision, you should carefully consider the risks and uncertainties described in this prospectus supplement and the accompanying prospectus, including the risk factors set forth in the documents and reports filed with the SEC that are incorporated by reference in this prospectus supplement and in the accompanying prospectus. Our business, financial condition, operating results and cash flows can be impacted by these factors, any one of which could cause our actual results to vary materially from recent results or from our anticipated future results.

Risks Related to the Notes

If we redeem the notes, you may not be able to reinvest the redemption proceeds and obtain an equal effective interest rate.

We may redeem the notes on each February 11 on or after February 11, 2020, at a redemption price that does not include a redemption premium. Prevailing interest rates for comparable securities at the time we redeem the notes may be lower than 4.95%. As a result, you may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate of 4.95%.

An active trading market may not develop for the notes, which could adversely affect the price of the notes in the secondary market and your ability to resell the notes should you desire to do so.

We intend to apply to list the notes on the TPEx; however, we cannot make any assurance as to:

- the development of an active trading market or that the TPEx listing will be maintained;
- the liquidity of any trading market that may develop;
- the ability of holders to sell their notes; or
- the price at which the holders would be able to sell their notes.

No assurances can be given as to whether the notes will be, or will remain, listed on the TPEx. If the notes fail to or cease to be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the notes. In addition, any trading market that may develop for the notes may be adversely affected by changes in the overall market for investment-grade securities, changes in our financial performance or prospects, a change in our credit rating, the prospects for companies in our industry generally, any acquisitions or business combinations proposed or consummated by us, the interest of securities dealers in making a market for the notes and prevailing interest rates, financial markets and general economic conditions. A market for the notes, if any, may be subject to volatility. Prospective investors in the notes should be aware that they may be required to bear the financial risks of such an investment for an indefinite period of time.

RATIOS OF EARNINGS TO FIXED CHARGES

The following table shows our ratios of earnings to fixed charges for the periods indicated:

Nine Months Ended	Year Ended December 31,				
September 30, 2016	**2015**	**2014**	**2013**	**2012**	**2011**
3.95	5.27	3.15	7.69	3.55	3.50

For these ratios, earnings have been calculated by adding fixed charges to income before (provision) benefit for income taxes, equity in losses (earnings) of unconsolidated businesses and dividends from unconsolidated businesses. Fixed charges include interest expense, capitalized interest and the portion of rent expense representing interest. We classify interest expense recognized on uncertain tax positions as income tax expense, and therefore such interest expense is not included in the ratios of earnings to fixed charges.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the notes for general corporate purposes.

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DESCRIPTION OF THE NOTES

Principal Amount, Maturity and Interest for the Notes

We are offering $1,475,000,000 of our notes which will mature on February 11, 2047.

We will pay interest on the notes at the rate of 4.95% per annum on February 11 of each year to holders of record at the close of business on the preceding January 28 and on August 11 of each year to holders of record at the close of business on the preceding July 28. If interest or principal on the notes is payable on a Saturday, Sunday or any other day when banks are not open for business in The City of New York or Taipei, Taiwan, we will make the payment on such notes on the next business day, and no interest will accrue as a result of the delay in payment. The first interest payment date on the notes is August 11, 2017. Interest on the notes will accrue from February 10, 2017 and will accrue on the basis of a 360-day year consisting of 12 months of 30 days.

We may issue additional notes in the future.

Global Clearance and Settlement

The notes will be issued in the form of one or more global notes (the global notes) in fully registered form, without coupons, and will be deposited on the closing date with a common depositary (or its nominee) for, and in respect of interests held through, Euroclear and Clearstream. Except as described herein, physical certificates will not be issued in exchange for beneficial interests in the global notes.

Except as set forth below, the global notes may be transferred, in whole and not in part, only to Euroclear or Clearstream or their respective nominees. No link is expected to be established among The Depository Trust Company and Euroclear or Clearstream in connection with the issuance of the notes.

Beneficial interests in the global notes will be represented, and transfers of such beneficial interests will be effected, through accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in Euroclear or Clearstream. Those beneficial interests will be in minimum denominations of $100,000 and integral multiples of $1,000 in excess of $100,000. Should physical certificates be issued to individual holders of the notes, a holder of notes who, as a result of trading or otherwise, holds a principal amount of notes that is less than the minimum denomination would be required to purchase an additional principal amount of notes such that such holder s holding of notes amounts to the minimum denomination. Investors may hold notes directly through Euroclear or Clearstream, if they are participants in such clearing systems, or indirectly through organizations that are participants in such clearing systems.

Owners of beneficial interests in the global notes will not be entitled to have notes registered in their names, and will not receive or be entitled to receive physical delivery of notes in physical form. Except as provided below, beneficial owners will not be considered the owners or holders of the notes under the indenture. Accordingly, each beneficial owner must rely on the procedures of the clearing systems and, if such person is not a participant of the clearing systems, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the indenture. Under existing industry practices, if we request any action of holders or a beneficial owner desires to give or take any action which a holder is entitled to give or take under the indenture, the clearing systems would authorize their participants holding the relevant beneficial interests to give or take action and the participants would authorize beneficial owners owning through the participants to give or take such action or would otherwise act upon the instructions of beneficial owners. Conveyance of notices and other communications by the clearing systems to their participants, by the participants to indirect participants and by the participants and indirect participants to

beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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Persons who are not Euroclear or Clearstream participants may beneficially own notes held by the common depositary for Euroclear and Clearstream only through direct or indirect participants in Euroclear and Clearstream.

Euroclear and Clearstream Arrangements

So long as Euroclear or Clearstream or their common depositary (or its nominee) is the registered holder of the global notes, Euroclear, Clearstream, the common depositary or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the indenture and the notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to Euroclear, Clearstream or such nominee, as the case may be, as registered holder thereof.

Distributions of principal, interest and additional amounts, if any, with respect to the global notes will be credited in U.S. dollars to the extent received by Euroclear or Clearstream to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant clearing system s rules and procedures.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in the global notes to pledge such interest to persons or entities which do not participate in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in the global notes through Euroclear and Clearstream will be reflected in the book-entry accounts of each such institution. As necessary, the registrar will adjust the amounts of the global notes on the register for the accounts of the common depositary to reflect the amounts of notes held through Euroclear and Clearstream, respectively.

Initial Settlement

Investors holding their notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear and Clearstream participants on the settlement date against payment for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser s and seller s accounts are located to ensure that settlement can be made on the desired date.

Secondary market sales of beneficial interests in the global notes held through Euroclear or Clearstream to purchasers of such interests through Euroclear or Clearstream will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream and will be settled using the procedures applicable to conventional eurobonds in same-day funds.

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the notes through Euroclear and Clearstream on days when those clearing systems are open for business. Those clearing systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States or Taiwan.

In addition, because of time-zone differences, there may be problems with completing transactions involving Euroclear and Clearstream on the same business day as in the United States or Taiwan. U.S. or Taiwanese investors

who wish to transfer their interests in the notes, or to make or receive a payment or delivery

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of the notes, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Euroclear or Clearstream is used. Euroclear and Clearstream will credit payments to the cash accounts of Euroclear participants or Clearstream participants in accordance with the relevant clearing system s rules and procedures, to the extent received by its depositary. Clearstream or the Euroclear operator, as the case may be, will take any other action permitted to be taken by a holder under the indenture on behalf of a Euroclear participant or Clearstream participant only in accordance with its relevant rules and procedures.

Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the notes among participants of Euroclear and Clearstream. However, they are under no obligation to perform or continue to perform those procedures, and they may discontinue those procedures at any time.

ROC Trading

Investors with a securities book-entry account with an ROC securities broker and a foreign currency deposit account with an ROC bank, may request the approval of the Taiwan Depositary & Clearing Corporation (the TDCC) for the settlement of the notes through the account of TDCC with Euroclear or Clearstream, and if such approval is granted by TDCC, the notes may be so cleared and settled. In such circumstances, TDCC will allocate the respective book-entry interest of such investor in the notes position to the securities book-entry account designated by such investor in the ROC. The notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds.

In addition, an investor may apply to TDCC (by filing in a prescribed form) to transfer the notes in its own account with Euroclear or Clearstream to the TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets.

For such investors who hold their interest in the notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC s receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the ROC banks with which the holder has the foreign currency deposit account.

Optional Redemption

We have the option to redeem the notes on not less than 30 nor more than 60 days notice, in whole but not in part, on each February 11 on or after February 11, 2020 at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the date of redemption.

In addition, we may at any time purchase the notes by tender, in the open market or by private agreement, subject to applicable law.

Tax Redemption

The notes may be redeemed at our option, in whole but not in part, at any time on giving not less than 30 nor more than 90 days notice to the noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:

(i) we have or will become obliged to pay additional amounts with respect to the notes as provided or referred to under Withholding Taxes below as a result of any change in, or amendment to, the

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laws, treaties, or rulings of the United States or any political subdivision or any authority thereof or therein having the power to tax, or any change in the application or official interpretation of such laws or regulations or rulings (including a holding by a court of competent jurisdiction in the United States), which change or amendment is enacted or adopted on or after the issue date of such notes; or

(ii) on or after the issue date of the notes, any action is taken by a taxing authority of, or any decision has been rendered by a court of competent jurisdiction in, the United States or any political subdivision of or in the United States or any authority thereof or therein having the power to tax, including any of those actions specified in clause (i) above, whether or not such action was taken or decision was rendered with respect to us, or any change, amendment, application or interpretation is officially proposed, which, in any such case, will result in a material probability that we will become obliged to pay additional amounts with respect to the notes; provided that, prior to the publication of any notice of redemption pursuant to this paragraph, we have delivered to the trustee a certificate signed by one of our officers stating that we are entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to our right so to redeem have occurred and a copy of an opinion of a reputable independent counsel of our choosing to that effect based on that statement of facts. However no such notice of redemption shall be given less than 30 nor more than 90 days prior to the earliest date on which we would be obliged to pay such additional amounts if a payment in respect of the notes were then due.

Withholding Taxes

All payments of principal, interest and premium (if any) in respect of the notes by us or a paying agent on our behalf shall be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or other governmental charges (Taxes) imposed by or on behalf of the United States or any political subdivision thereof or any authority therein or thereof having the power to tax, unless the withholding or deduction of such Taxes is required by law. In that event, we shall pay to a holder that is a Non-U.S. Person (as defined below) such additional amounts as may be necessary to ensure that the net amount received by such holder, after withholding or deduction for or on account of such Taxes, will be equal to the amount such holder would have received in the absence of such withholding or deduction. However, no additional amounts shall be payable with respect to any note if the beneficial owner is subject to taxation solely for reasons other than its ownership of notes, nor shall additional amounts be payable for or on account of:

(i) any Tax that would not have been imposed, withheld or deducted but for any present or former connection (other than the mere fact of being a holder or beneficial owner of such note) between the holder or the beneficial owner of such note and the United States or the applicable political subdivision or authority, including, without limitation, such holder or beneficial owner being or having been a citizen or resident of the United States or the applicable political subdivision or authority or treated as being or having been a resident thereof;

(ii) any Tax that would not have been imposed, withheld or deducted but for the holder or beneficial owner of such note being or having been with respect to the United States a personal holding company, a controlled foreign corporation, a passive foreign investment company, a foreign private foundation or other foreign tax-exempt organization, or a corporation that accumulates earnings to avoid U.S. federal income tax;

(iii) any Tax that is payable other than by withholding or deduction by us or a paying agent from payments in respect of such note;

(iv) any gift, estate, inheritance, sales, transfer, value added, personal property, excise or similar Tax;

(v) any Tax that would not have been imposed, withheld or deducted but for a change in any law, treaty, regulation, or administrative or judicial interpretation that becomes effective after the applicable payment becomes due or is duly provided for, whichever occurs later;

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(vi) any Tax that would not have been imposed, withheld or deducted but for the presentation of such note for payment more than 30 days after the applicable payment becomes due or is duly provided for, whichever occurs later, except to the extent that such holder would have been entitled to such additional amounts on presenting such note for payment on the last date of such period of 30 days;

(vii) any Tax that would not have been imposed, withheld or deducted but for the failure of the holder or beneficial owner of such note to comply with applicable certification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the United States of such holder or beneficial owner;

(viii) any Tax that would not have been imposed, withheld or deducted but for the failure of the holder or beneficial owner (or any financial institution or other person through which the holder or beneficial owner holds any notes) to comply with any certification, information, identification, documentation or other reporting requirements with respect to itself or any beneficial owner or account holders thereof;

(ix) any Tax that would not have been imposed, withheld or deducted but for the failure of the holder or beneficial owner of such note to meet the requirements (including the statement requirements) of Section 871(h) or Section 881(c) of the U.S. Internal Revenue Code of 1986, as amended (the Code);

(x) any Tax imposed by the Foreign Account Tax Compliance Act (FATCA) pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b) of the Code and any intergovernmental agreements (and related legislation or official administrative guidance) implementing the foregoing; or

(xi) any combination of items (i)-(x).

For purposes of clauses (i)-(xi) above, references to the holder or beneficial owner of a note include a fiduciary, settlor, beneficiary or person holding power over such holder or beneficial owner, if such holder or beneficial owner is an estate or trust, or a partner, member or shareholder of such holder or beneficial owner, if such holder or beneficial owner is a partnership, limited liability company or corporation. In addition, we will not pay additional amounts to the holder of a note if such holder or the beneficial owner of such note is a fiduciary, partnership, limited liability company or other fiscally transparent entity, or if the holder of such note is not the sole beneficial owner of such note, as the case may be, to the extent that a beneficiary or settlor with respect to the fiduciary, or a beneficiary, partner or member of the partnership, limited liability company or other fiscally transparent entity, or a beneficial owner would not have been entitled to the payment of an additional amount had the beneficiary, settlor, beneficial owner, partner or member received directly its beneficial or distributive share of the payment. For purposes of Withholding Taxes, the term Non-U.S. Person means any person that is, for U.S. federal income tax purposes, a foreign corporation, nonresident alien individual, a nonresident fiduciary of a foreign estate or foreign trust or a foreign partnership one or more of the partners of which is such a foreign corporation, nonresident alien individual or nonresident fiduciary.

Any additional amounts paid on the notes will be in U.S. dollars.

Additional Information

See DESCRIPTION OF THE DEBT SECURITIES in the accompanying prospectus for additional important information about the notes. That information includes:

additional information about the terms of the notes;

general information about the indenture and the trustee;

a description of certain restrictions; and

a description of events of default under the indenture.

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CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of our notes that is a nonresident alien individual or a foreign corporation, or any other person, that is not subject to U.S. federal income taxation on a net income basis in respect of the notes (a Non-U.S. Holder). This discussion deals only with notes held as capital assets by Non-U.S. Holders who acquire notes in this offering. It does not cover all aspects of U.S. federal income taxation that may be relevant to the purchase, ownership or disposition of our notes by investors in light of their specific circumstances. In particular, this discussion does not address certain former citizens or residents of the United States, non-resident alien individuals present in the United States for 183 days or more during the taxable year, controlled foreign corporations or passive foreign investment companies, entities taxed as partnerships or partners therein, or persons otherwise subject to special treatment under the Code.

This summary is based upon the provisions of the Code, the Treasury regulations promulgated thereunder and administrative and judicial interpretations thereof, all as of the date hereof. Such authorities may be repealed, revoked, modified or subject to differing interpretations, possibly on a retroactive basis, so as to result in U.S. federal income tax consequences different from those discussed below. This discussion does not address any other U.S. federal tax considerations (such as gift or estate tax) or any state, local or non-U.S. tax considerations. You should consult your own tax advisors about the tax consequences of the purchase, ownership and disposition of our notes in light of your particular circumstances, including the tax consequences under state, local, foreign and other tax laws and the possible effects of any changes in applicable tax laws.

Interest on the Notes

Except in the circumstances described below under Information Reporting and Backup Withholding and FATCA Withholding, payments of interest on notes owned by a Non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax, provided that (i) such Non-U.S. Holder does not own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, (ii) such Non-U.S. Holder is not, for U.S. federal income tax purposes, a controlled foreign corporation that is related to us through stock ownership, and (iii) such Non-U.S. Holder certifies under penalty of perjury that it is a Non-U.S.-Holder (usually by providing an IRS Form W-8BEN or W-8BEN-E) or provides other appropriate documentation to the applicable withholding agent.

Sale or other Taxable Disposition of the Notes

Except in the circumstances described below under Information Reporting and Backup Withholding and FATCA Withholding, a Non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on any gain recognized on the sale, exchange, redemption, retirement or other disposition of a note.

Information Reporting and Backup Withholding

Payments of interest on notes owned by a Non-U.S. Holder (including additional amounts, if any), and gross proceeds from the sale or redemption of such notes within the United States or through certain U.S.-related financial intermediaries, generally are subject to information reporting and backup withholding unless the Non-U.S. Holder certifies under penalty of perjury that it is a Non-U.S. Holder (usually by providing an IRS Form W-8BEN or W-8BEN-E) or otherwise establishes an exemption. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such Non-U.S. Holder s U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Payments of interest on a note to a Non-U.S. Holder and the amount of any U.S. federal tax withheld from such payments generally must be reported annually to the IRS and to such Non-U.S. Holder, regardless of whether withholding is required.

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FATCA Withholding

Under the U.S. tax rules known as FATCA, a Non-U.S. Holder of our notes will generally be subject to 30% U.S. withholding tax on payments made on (and, after December 31, 2018, gross proceeds from the sale or other taxable disposition of) the notes if the Non-U.S. Holder (i) is, or holds its notes through, a foreign financial institution that has not entered into an agreement with the U.S. government to report, on an annual basis, certain information regarding accounts with or interests in the institution held by certain United States persons and by certain non-U.S. entities that are wholly or partially owned by United States persons, or, if it is subject to an intergovernmental agreement between the United States and a foreign country, that has been designated as a nonparticipating foreign financial institution , or (ii) fails to provide certain documentation (usually an IRS Form W-8BEN or W-8BEN-E) containing information about its identity, its FATCA status, and if required, its direct and indirect U.S. owners. The future adoption of, or implementation of, an intergovernmental agreement between the United States and an applicable foreign country, or future U.S. Treasury regulations, may modify these requirements. If any taxes were to be deducted or withheld from any payments in respect of the notes as a result of a beneficial owner or intermediary s failure to comply with the foregoing rules, no additional amounts will be paid on the notes as a result of the deduction or withholding of such taxes. You should consult your own tax advisor on how these rules may apply to your investment in the notes.

ROC Taxation

The following summary of certain taxation provisions under ROC law is based on current law and practice and assumes that the notes will be issued, offered, sold and re-sold, directly or indirectly, to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the notes.

Interest on the Notes

As we, the issuer of the notes, are not an ROC statutory tax withholder, there is no ROC withholding tax on the interest to be paid on the notes.

ROC corporate holders must include the interest receivable under the notes as part of their taxable income and pay income tax at a flat rate of 17% (unless the total taxable income for a fiscal year is under NT$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax (AMT) is not applicable.

Non-ROC corporate holders are subject to ROC income tax on ROC-sourced income only and the interest receivable under the notes is not ROC-sourced income. Hence non-ROC corporate holders have no ROC income tax liability with respect to the interest receivable under the notes. AMT does not apply either.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to a 0.1% securities transaction tax (STT) on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act of the ROC prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from January 1, 2010 to December 31, 2026. Therefore, the sale of the notes will be exempt from STT if the sale is conducted on or before December 31, 2026. Starting from January 1, 2027, any sale of the notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the notes.

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However, ROC corporate holders should include the capital gains from the sale of the notes in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Income Basic Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders AMT payable. Capital losses, if any, incurred by such holders could be carried over five years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business or a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the notes.

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UNDERWRITING

Subject to the terms and conditions stated in the purchase agreement, dated the date of this prospectus supplement, each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the principal amount of notes set forth opposite the underwriter s name.

Underwriters	Principal amount of notes
BNP Paribas, Taipei Branch	325,000,000
Deutsche Bank AG, Taipei Branch	1,150,000,000
Total	$ 1,475,000,000

The purchase agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all of the notes if they purchase any of the notes. The underwriters may, to the extent permitted by applicable laws and regulations, make offers and sales in the United States through their respective U.S. broker-dealer affiliates.

The underwriters propose to offer the notes directly to the public at the public offering price set forth on the cover page of this prospectus supplement. After the initial offering of the notes to the public, the underwriters may change the public offering price and other selling terms.

The following table shows the underwriting commission that we are to pay to the underwriters in connection with this offering (expressed as a percentage of the principal amount of the notes).

	Paid by Verizon
Per note	0.10%

We will pay an aggregate fee of $8,850,000 (the structuring fee) to Morgan Stanley & Co. LLC, Deutsche Bank AG, Taipei Branch, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc. (the structuring agents) in connection with structuring services that they provided in connection with the notes. Morgan Stanley & Co. LLC, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc., as entities not licensed in the ROC, have not offered or sold, and will not subscribe for or underwrite or sell, any notes offered hereby.

BNP Paribas, Taipei Branch and Deutsche Bank AG, Taipei Branch are not U.S. registered broker-dealers and, therefore, to the extent that they intend to effect any sales of the notes in the United States and to the extent permitted by applicable laws and regulations, they will do so through one or more U.S. registered broker-dealers as permitted by FINRA regulations.

The notes will constitute a new issue of securities with no established trading market. Application will be made to the TPEx for the listing of, and permission to deal in, the notes by way of debt issues to professional institutional investors as defined under Paragraph 2, Article 4 of the Financial Consumer Protection Act of the ROC only and such permission is expected to become effective on or about February 10, 2017. The underwriters are not obligated to carry out market-making activities with respect to the notes. Accordingly, we cannot assure you as to the liquidity of, or the

trading market for, the notes.

We estimate that our total expenses for this offering, and other expenses, (not including the underwriting commission or the structuring fee) will be approximately $2,000,000. The structuring agents have agreed to reimburse these expenses in connection with this offering.

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We have agreed to indemnify the several underwriters against certain liabilities in connection with this offering, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of these liabilities. Separately, in connection with structuring services that Morgan Stanley & Co. LLC, Deutsche Bank AG, Taipei Branch, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc. provided in connection with the notes, we have agreed to indemnify Morgan Stanley & Co. LLC, Deutsche Bank AG, Taipei Branch, Commerz Markets LLC, PNC Capital Markets LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, C.L. King & Associates, Inc. and Samuel A. Ramirez & Company, Inc. against certain liabilities in connection with this offering, including liabilities under the Securities Act, or to contribute to payments made in respect of those liabilities.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In addition, certain underwriters or their affiliates may provide credit to us as lenders. If any of the underwriters or their affiliates provide credit to us, certain of those underwriters or their affiliates routinely hedge, certain of those underwriters are likely to hedge and certain other of those underwriters may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve our securities or instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

We expect that the delivery of the notes will be made to investors on or about February 10, 2017, which will be the twelfth U.S. business day following the date of this prospectus supplement (such settlement being referred to as T+12). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the notes prior to the third U.S. business day before the settlement date will be required, by virtue of the fact that the notes initially settle in T+12, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to the third U.S. business day before the settlement date should consult their advisors.

Selling Restrictions

Canada

Resale Restrictions

The distribution of the notes in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the

securities regulatory authorities in each province where trades of these securities are made. Any resale of the notes in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

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Representations of Canadian Purchasers

By purchasing notes in Canada and accepting delivery of a purchase confirmation, a purchaser in Canada is representing to us and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase notes without the benefit of a prospectus qualified under those securities laws as it is an accredited investor as defined under National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario),

the purchaser is a permitted client as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*,

where required by law, the purchaser is purchasing as principal and not as agent, and

the purchaser has reviewed the text above.

Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 *Underwriting Conflicts* from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser s province or territory. The purchaser of the notes in Canada should refer to any applicable provisions of the securities legislation of the purchaser s province or territory for particulars of these rights or consult with a legal advisor.

European Economic Area

In relation to each member state of the European Economic Area (the EEA) which has implemented the Prospectus Directive (each, a relevant member state), each underwriter has represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), it has not made and will not make an offer of notes to the public in that relevant member state prior to the publication of a prospectus in relation to such offer that has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Directive, except that, it may, with effect from and including the relevant implementation date, make an offer of notes to the public in that relevant member state at any time:

to any legal entity which is a qualified investor as defined in the Prospectus Directive;

to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the underwriters, for any such offer; or

in any other circumstances falling within Article 3(2) of the Prospectus Directive;

provided that no such offer shall require us to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the

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notes, as the expression may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state, expression Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended (the FSMA)), received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

- it has complied and will comply with all applicable provisions of the FSMA and of the Financial Services Act of 2012 with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

Hong Kong

This prospectus supplement and the accompanying prospectus have not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. Each underwriter has represented and agreed that:

- the notes have not and will not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Winding Up and Miscellaneous Provisions) (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

- no advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been issued or had in its possession for the purposes of issue, or will be issued or will be in its possession for the purposes of issue, in Hong Kong or elsewhere other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that this prospectus

supplement, the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act (Chapter 289) (the SFA), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Each underwriter has acknowledge