

Verizon reports higher 3Q net income, revenue

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In this June 6, 2014 file photo, pedestrians use their cell phones as they pass a Verizon Wireless store near New York's Union Square. Verizon reports quarterly financial results on Tuesday, Oct. 21, 2014. (AP Photo/John Minchillo)

Verizon Communications Inc. on Tuesday reported higher net income and revenue in its third quarter, helped by strong wireless subscriber growth and demand for its high-speed FiOS Internet services.

Verizon, which bought out its wireless division from British cellphone

carrier Vodafone Group this year, said it added 1.5 million net retail wireless connections in the quarter—up 44 percent from the same time last year. About 1 million of those were for tablets and devices other than phones. It ended September with 106.2 million wireless connections, including 100.1 million that involved monthly service contracts.

Chief Financial Officer Francis Shammo said promotion pricing has helped Verizon push customers into plans that should increase sales of phones using the more efficient 4G LTE network. Continued success in 4G adoption in the fourth quarter "will create profitable growth for us as we enter 2015 and beyond," Shammo said In a conference call with analysts.

The largest U.S. cellphone carrier also added 162,000 FiOS Internet subscribers and 114,000 FiOS video net subscribers.

The results were shy of analyst expectations. The New York-based company earned \$3.69 billion, or 89 cents per share, up from \$2.23 billion, or 78 cents per share, in the same period a year earlier, when the company had fewer outstanding shares.

Analysts surveyed by FactSet were expecting earnings of 90 cents per share.

Verizon posted revenue of \$31.6 billion, up 4 percent from \$30.3 billion a year earlier. Analysts expected higher revenue of \$32.2 billion, according to FactSet.

Shares slipped 3 cents to \$48.45 in afternoon trading Tuesday. The stock is down slightly more than 1 percent since the beginning of the year, while the Standard & Poor's 500 index has climbed 3 percent. The stock has fallen 4 percent in the last 12 months.

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