



For Immediate Release

Idearc Q2 2007 GAAP and Non-GAAP Financial Schedules

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IDEARC INC.

Consolidated Statements of Income

Reported (GAAP)

Six Months Ended June 30, 2007 Compared to Six Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	6 Mos. Ended 6/30/07	6 Mos. Ended 6/30/06	% Change
Operating Revenue			
Print products	\$ 1,468	\$ 1,498	(2.0)
Internet	141	107	31.8
Other	2	10	(80.0)
Total Operating Revenue	<u>1,611</u>	<u>1,615</u>	(0.2)
Operating Expense			
Selling	382	350	9.1
Cost of sales (exclusive of depreciation and amortization)	321	325	(1.2)
General and administrative	190	198	(4.0)
Depreciation and amortization	44	44	-
Total Operating Expense	<u>937</u>	<u>917</u>	2.2
Operating Income	674	698	(3.4)
Interest expense (income), net	337	(13)	NM
Income Before Provision for Income Taxes	<u>337</u>	<u>711</u>	(52.6)
Provision for income taxes	125	276	(54.7)
Net Income	<u>\$ 212</u>	<u>\$ 435</u>	(51.3)
Basic and Diluted Earnings per Common Share ⁽¹⁾	\$ 1.45	\$ 2.98	(51.3)
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	
Dividends Declared per Common Share	\$.6850	\$ -	

Note:

⁽¹⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations for 2006, it was assumed that approximately 146 million shares were outstanding for the entire period. Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.

Consolidated Statements of Income

Reported (GAAP)

Three Months Ended June 30, 2007 Compared to Three Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/07	3 Mos. Ended 6/30/06	% Change
Operating Revenue			
Print products	\$ 731	\$ 746	(2.0)
Internet	73	55	32.7
Other	1	1	-
Total Operating Revenue	<u>805</u>	<u>802</u>	0.4
Operating Expense			
Selling	193	182	6.0
Cost of sales (exclusive of depreciation and amortization)	155	163	(4.9)
General and administrative	93	99	(6.1)
Depreciation and amortization	22	21	4.8
Total Operating Expense	<u>463</u>	<u>465</u>	(0.4)
Operating Income	342	337	1.5
Interest expense (income), net	167	(7)	NM
Income Before Provision for Income Taxes	<u>175</u>	<u>344</u>	(49.1)
Provision for income taxes	66	134	(50.7)
Net Income	<u>\$ 109</u>	<u>\$ 210</u>	(48.1)
Basic and Diluted Earnings per Common Share ⁽¹⁾	\$.75	\$ 1.44	(47.9)
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	
Dividends Declared per Common Share	\$.3425	\$ -	

Note:

⁽¹⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations for 2006, it was assumed that approximately 146 million shares were outstanding for the entire period. Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.

Consolidated Statements of Income

Adjusted Pro Forma (Non-GAAP)⁽¹⁾

Six Months Ended June 30, 2007 Compared to Six Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	6 Mos. Ended 6/30/07	6 Mos. Ended 6/30/06	% Change
Operating Revenue			
Print products	\$ 1,468	\$ 1,498	(2.0)
Internet	141	107	31.8
Other	2	3	(33.3)
Total Operating Revenue	<u>1,611</u>	<u>1,608</u>	0.2
Operating Expense			
Selling	382	334	14.4
Cost of sales (exclusive of depreciation and amortization)	321	300	7.0
General and administrative	138	194	(28.9)
Depreciation and amortization	44	44	-
Total Operating Expense	<u>885</u>	<u>872</u>	1.5
Operating Income	726	736	(1.4)
Interest expense (income), net	<u>337</u>	<u>351</u>	(4.0)
Income Before Provision for Income Taxes	389	385	1.0
Provision for income taxes	<u>143</u>	<u>150</u>	(4.7)
Net Income	<u>\$ 246</u>	<u>\$ 235</u>	4.7
Basic and Diluted Earnings per Common Share⁽²⁾	\$ 1.69	\$ 1.61	5.0
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	

Note:

⁽¹⁾ These consolidated statements of income provide a comparison of the six months ended June 30, 2007 adjusted pro forma results to the six months ended June 30, 2006 adjusted pro forma results. The following schedules provide reconciliations from our reported GAAP results to adjusted pro forma non-GAAP results for the periods shown above.

⁽²⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations for 2006, it was assumed that approximately 146 million shares were outstanding for the entire period. Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.

Consolidated Statements of Income

Adjusted Pro Forma (Non-GAAP)⁽¹⁾

Three Months Ended June 30, 2007 Compared to Three Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/07	3 Mos. Ended 6/30/06	% Change
Operating Revenue			
Print products	\$ 731	\$ 746	(2.0)
Internet	73	55	32.7
Other	1	1	0.0
Total Operating Revenue	<u>805</u>	<u>802</u>	0.4
Operating Expense			
Selling	193	174	10.9
Cost of sales (exclusive of depreciation and amortization)	155	153	1.3
General and administrative	66	97	(32.0)
Depreciation and amortization	22	21	4.8
Total Operating Expense	<u>436</u>	<u>445</u>	(2.0)
Operating Income	369	357	3.4
Interest expense (income), net	167	176	(5.1)
Income Before Provision for Income Taxes	<u>202</u>	<u>181</u>	11.6
Provision for income taxes	75	71	5.6
Net Income	<u>\$ 127</u>	<u>\$ 110</u>	15.5
Basic and Diluted Earnings per Common Share ⁽²⁾	\$.87	\$.75	16.0
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	

Note:

⁽¹⁾ These consolidated statements of income provide a comparison of the three months ended June 30, 2007 adjusted pro forma results to the three months ended June 30, 2006 adjusted pro forma results. The following schedules provide reconciliations from our reported GAAP results to adjusted pro forma non-GAAP results for the periods shown above.

⁽²⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations for 2006, it was assumed that approximately 146 million shares were outstanding for the entire period. Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.

Consolidated Statements of Income

Reported (GAAP)

Three Months Ended June 30, 2007 Compared to Three Months Ended March 31, 2007

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/2007	3 Mos. Ended 3/31/2007	% Change
Operating Revenue			
Print products	\$ 731	\$ 737	(0.8)
Internet	73	68	7.4
Other	1	1	-
Total Operating Revenue	<u>805</u>	<u>806</u>	(0.1)
Operating Expense			
Selling	193	189	2.1
Cost of sales (exclusive of depreciation and amortization)	155	166	(6.6)
General and administrative	93	97	(4.1)
Depreciation and amortization	22	22	-
Total Operating Expense	<u>463</u>	<u>474</u>	(2.3)
Operating Income	342	332	3.0
Interest expense (income), net	167	170	(1.8)
Income Before Provision for Income Taxes	<u>175</u>	<u>162</u>	8.0
Provision for income taxes	66	59	11.9
Net Income	<u>\$ 109</u>	<u>\$ 103</u>	5.8
Basic and Diluted Earnings per Common Share ⁽²⁾	\$.75	\$.70	7.1
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	

Note:

⁽¹⁾ These consolidated statements of income provide a comparison of the three months ended June 30, 2007 reported results to the three months ended March 31, 2007 reported results.

⁽²⁾ Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.

Consolidated Statements of Income

Adjusted Pro Forma (Non-GAAP)⁽¹⁾

Three Months Ended June 30, 2007 Compared to Three Months Ended March 31, 2007

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/2007	3 Mos. Ended 3/31/2007	% Change
Operating Revenue			
Print products	\$ 731	\$ 737	(0.8)
Internet	73	68	7.4
Other	1	1	-
Total Operating Revenue	<u>805</u>	<u>806</u>	(0.1)
Operating Expense			
Selling	193	189	2.1
Cost of sales (exclusive of depreciation and amortization)	155	166	(6.6)
General and administrative	66	72	(8.3)
Depreciation and amortization	22	22	-
Total Operating Expense	<u>436</u>	<u>449</u>	(2.9)
Operating Income	369	357	3.4
Interest expense (income), net	167	170	(1.8)
Income Before Provision for Income Taxes	<u>202</u>	<u>187</u>	8.0
Provision for income taxes	75	68	10.3
Net Income	<u>\$ 127</u>	<u>\$ 119</u>	6.7
Basic and Diluted Earnings per Common Share ⁽²⁾	\$.87	\$.82	6.1
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	

Note:

⁽¹⁾ These consolidated statements of income provide a comparison of the three months ended June 30, 2007 adjusted pro forma results to the three months ended March 31, 2007 adjusted pro forma results. The following schedules provide reconciliations from our reported GAAP results to adjusted pro forma non-GAAP results for the periods shown above.

⁽²⁾ Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

IDEARC INC.
Consolidated Statements of Income
Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)
Six Months Ended June 30, 2007

(dollars in millions, except per share amounts)

Unaudited	6 Mos. Ended 6/30/07	Non-Recurring Items		6 Mos. Ended 6/30/07 Adjusted Pro Forma (Non-GAAP)
		Reported (GAAP)	Stock Based Compensation ⁽³⁾	
Operating Revenue				
Print products	\$ 1,468	\$ -	\$ -	\$ 1,468
Internet	141	-	-	141
Other	2	-	-	2
Total Operating Revenue	1,611	-	-	1,611
Operating Expense				
Selling	382	-	-	382
Cost of sales (exclusive of depreciation and amortization)	321	-	-	321
General and administrative	190	(17)	(35)	138
Depreciation and amortization	44	-	-	44
Total Operating Expense	937	(17)	(35)	885
Operating Income	674	17	35	726
Interest expense (income), net	337	-	-	337
Income Before Provision for Income Taxes	337	17	35	389
Provision for income taxes	125	6	12	143
Net Income	\$ 212	\$ 11	\$ 23	\$ 246
Basic and Diluted Earnings per Common Share⁽¹⁾	\$ 1.45	\$.08	\$.16	\$ 1.69
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146
Operating Income	\$ 674	\$ 17	\$ 35	\$ 726
Depreciation and Amortization	44	-	-	44
OIBITDA (non-GAAP)⁽²⁾	\$ 718	\$ 17	\$ 35	\$ 770
OIBITDA (non-GAAP) margin⁽²⁾	44.6%			47.8%

Notes:

- (1) Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.
- (2) OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.
- (3) The stock-based compensation reflects a one-time incentive compensation award given to most of the Company's employees in January of 2007.
- (4) Separation costs are non-recurring costs associated with becoming a stand-alone entity as a result of the spin-off from Verizon.

IDEARC INC.
Consolidated Statements of Income
Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)
Three Months Ended March 31, 2007

(dollars in millions, except per share amounts)

Unaudited	Non-Recurring Items			3 Mos. Ended 3/31/07 Adjusted Pro Forma (Non-GAAP)
	3 Mos. Ended 3/31/07 Reported (GAAP)	Stock Based Compensation ⁽³⁾	Separation Costs ⁽⁴⁾	
Operating Revenue				
Print products	\$ 737	\$ -	\$ -	\$ 737
Internet	68	-	-	68
Other	1	-	-	1
Total Operating Revenue	806	-	-	806
Operating Expense				
Selling	189	-	-	189
Cost of sales (exclusive of depreciation and amortization)	166	-	-	166
General and administrative	97	(9)	(16)	72
Depreciation and amortization	22	-	-	22
Total Operating Expense	474	(9)	(16)	449
Operating Income	332	9	16	357
Interest expense (income), net	170	-	-	170
Income Before Provision for Income Taxes	162	9	16	187
Provision for income taxes	59	3	6	68
Net Income	\$ 103	\$ 6	\$ 10	\$ 119
Basic and Diluted Earnings per Common Share⁽¹⁾	\$.70	\$.04	\$.07	\$.82
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146
Operating Income	\$ 332	\$ 9	\$ 16	\$ 357
Depreciation and Amortization	22	-	-	22
OIBITDA (non-GAAP)⁽²⁾	\$ 354	\$ 9	\$ 16	\$ 379
OIBITDA (non-GAAP) margin⁽²⁾	43.9%			47.0%

Notes:

- (1) Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.
- (2) OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.
- (3) The stock-based compensation reflects a one-time incentive compensation award given to most of the Company's employees in January of 2007.
- (4) Separation costs are non-recurring costs associated with becoming a stand-alone entity as a result of the spin-off from Verizon.

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IDEARC INC.

Consolidated Statements of Income

Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)

Three Months Ended June 30, 2007

(dollars in millions, except per share amounts)

Unaudited	Non-Recurring Items			3 Mos. Ended 6/30/07 Adjusted Pro Forma (Non-GAAP)
	3 Mos. Ended 6/30/07 Reported (GAAP)	Stock Based Compensation ⁽³⁾	Separation Costs ⁽⁴⁾	
Operating Revenue				
Print products	\$ 731	\$ -	\$ -	\$ 731
Internet	73	-	-	73
Other	1	-	-	1
Total Operating Revenue	805	-	-	805
Operating Expense				
Selling	193	-	-	193
Cost of sales (exclusive of depreciation and amortization)	155	-	-	155
General and administrative	93	(8)	(19)	66
Depreciation and amortization	22	-	-	22
Total Operating Expense	463	(8)	(19)	436
Operating Income	342	8	19	369
Interest expense (income), net	167	-	-	167
Income Before Provision for Income Taxes	175	8	19	202
Provision for income taxes	66	3	6	75
Net Income	\$ 109	\$ 5	\$ 13	\$ 127
Basic and Diluted Earnings per Common Share⁽¹⁾	\$.75	\$.03	\$.09	\$.87
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146
Operating Income	\$ 342	\$ 8	\$ 19	\$ 369
Depreciation and Amortization	22	-	-	22
OIBITDA (non-GAAP)⁽²⁾	\$ 364	\$ 8	\$ 19	\$ 391
OIBITDA (non-GAAP) margin⁽²⁾	45.2%			48.6%

Notes:

⁽¹⁾ Restricted stock awards granted in 2007 caused an immaterial increase in the number of dilutive shares with no material impact to the calculation of Diluted Earnings per Common Share.

⁽²⁾ OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.

⁽³⁾ The stock-based compensation reflects a one-time incentive compensation award given to most of the Company's employees in January of 2007.

⁽⁴⁾ Separation costs are non-recurring costs associated with becoming a stand-alone entity as a result of the spin-off from Verizon.

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IDEARC INC.
Consolidated Statements of Income
Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)
Six Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	6 Mos. Ended 6/30/06	Pro Forma Items			6 Mos. Ended 6/30/06
		Reported (GAAP)	Pension OPEB Reduction ⁽³⁾	Printing Contract ⁽⁴⁾	
Operating Revenue					
Print products	\$ 1,498	\$ -	\$ -	\$ -	\$ 1,498
Internet	107	-	-	-	107
Other	10	-	(7)	-	3
Total Operating Revenue	1,615	-	(7)	-	1,608
Operating Expense					
Selling	350	(16)	-	-	334
Cost of sales (exclusive of depreciation and amortization)	325	(4)	(21)	-	300
General and administrative	198	(4)	-	-	194
Depreciation and amortization	44	-	-	-	44
Total Operating Expense	917	(24)	(21)	-	872
Operating Income	698	24	14	-	736
Interest expense (income), net	(13)	-	-	364	351
Income Before Provision for Income Taxes	711	24	14	(364)	385
Provision for income taxes	276	9	6	(141)	150
Net Income	\$ 435	\$ 15	\$ 8	\$ (223)	\$ 235
Basic and Diluted Earnings per Common Share ⁽¹⁾	\$ 2.98	\$.10	\$.05	\$ (1.53)	\$ 1.61
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146	146
Operating Income	\$ 698	\$ 24	\$ 14	\$ -	\$ 736
Depreciation and Amortization	44	-	-	-	44
OIBITDA (non-GAAP) ⁽²⁾	\$ 742	\$ 24	\$ 14	\$ -	\$ 780
OIBITDA (non-GAAP) margin ⁽²⁾	45.9%				48.5%

Notes:

- ⁽¹⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations, it was assumed that approximately 146 million shares were outstanding for the entire period. No additional shares were issued through December 31, 2006.
- ⁽²⁾ OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.
- ⁽³⁾ On-going pension costs are expected to be reduced, primarily as a result of the 414(l) pension asset transfer from the Verizon pension plan as the result of the Idearc spin-off from Verizon. This reduction is partially offset by anticipated higher OPEB costs. This pro forma adjustment reflects the expected on-going pension and OPEB cost levels for this historical period.
- ⁽⁴⁾ Reflects the impact of entering into a new printing contract which resulted in exiting the commercial printing business (\$7 million in revenue and \$4 million in costs) and a reduction in printing cost rates.
- ⁽⁵⁾ As a result of the spin-off on November 17, 2006, Idearc now has \$9.1 billion of debt and will incur interest expense that it did not incur in the past. This pro forma adjustment is to reflect the ongoing interest expense levels during this historical period.

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IDEARC INC.
Consolidated Statements of Income
Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)
Three Months Ended March 31, 2006

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 3/31/06	Pro Forma Items			3 Mos. Ended 3/31/06
		Reported (GAAP)	Pension OPEB Reduction ⁽³⁾	Printing Contract ⁽⁴⁾	
Operating Revenue					
Print products	\$ 752	\$ -	\$ -	\$ -	\$ 752
Internet	52	-	-	-	52
Other	9	-	(7)	-	2
Total Operating Revenue	813	-	(7)	-	806
Operating Expense					
Selling	168	(8)	-	-	160
Cost of sales (exclusive of depreciation and amortization)	162	(2)	(13)	-	147
General and administrative	99	(2)	-	-	97
Depreciation and amortization	23	-	-	-	23
Total Operating Expense	452	(12)	(13)	-	427
Operating Income	361	12	6	-	379
Interest expense (income), net	(6)	-	-	181	175
Income Before Provision for Income Taxes	367	12	6	(181)	204
Provision for income taxes	142	4	3	(70)	79
Net Income	\$ 225	\$ 8	\$ 3	\$ (111)	\$ 125
Basic and Diluted Earnings per Common Share ⁽¹⁾					
	\$ 1.54	\$.05	\$.02	\$ (.76)	\$.86
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146	146
Operating Income					
	\$ 361	\$ 12	\$ 6	\$ -	\$ 379
Depreciation and Amortization					
	23	-	-	-	23
OIBITDA (non-GAAP) ⁽²⁾	\$ 384	\$ 12	\$ 6	\$ -	\$ 402
OIBITDA (non-GAAP) margin ⁽²⁾	47.2%				49.9%

Notes:

- ⁽¹⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations, it was assumed that approximately 146 million shares were outstanding for the entire period. No additional shares were issued through December 31, 2006.
- ⁽²⁾ OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.
- ⁽³⁾ On-going pension costs are expected to be reduced, primarily as a result of the 414(l) pension asset transfer from the Verizon pension plan as the result of the Idearc spin-off from Verizon. This reduction is partially offset by anticipated higher OPEB costs. This pro forma adjustment reflects the expected on-going pension and OPEB cost levels for this historical period.
- ⁽⁴⁾ Reflects the impact of entering into a new printing contract which resulted in exiting the commercial printing business (\$7 million in revenue and \$4 million in costs) and a reduction in printing cost rates.
- ⁽⁵⁾ As a result of the spin-off on November 17, 2006, Idearc now has \$9.1 billion of debt and will incur interest expense that it did not incur in the past. This pro forma adjustment is to reflect the ongoing interest expense levels during this historical period.

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IDEARC INC.
Consolidated Statements of Income
Reconciliation from Reported (GAAP) to Adjusted Pro Forma (Non-GAAP)
Three Months Ended June 30, 2006

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/06	Pro Forma Items			3 Mos. Ended 6/30/06
		Reported (GAAP)	Pension OPEB Reduction ⁽³⁾	Printing Contract ⁽⁴⁾	
Operating Revenue					
Print products	\$ 746	\$ -	\$ -	\$ -	\$ 746
Internet	55	-	-	-	55
Other	1	-	-	-	1
Total Operating Revenue	802	-	-	-	802
Operating Expense					
Selling	182	(8)	-	-	174
Cost of sales (exclusive of depreciation and amortization)	163	(2)	(8)	-	153
General and administrative	99	(2)	-	-	97
Depreciation and amortization	21	-	-	-	21
Total Operating Expense	465	(12)	(8)	-	445
Operating Income	337	12	8	-	357
Interest expense (income), net	(7)	-	-	183	176
Income Before Provision for Income Taxes	344	12	8	(183)	181
Provision for income taxes	134	5	3	(71)	71
Net Income	\$ 210	\$ 7	\$ 5	\$ (112)	\$ 110
Basic and Diluted Earnings per Common Share ⁽¹⁾	\$ 1.44	\$.05	\$.04	\$ (.77)	\$.75
Basic and diluted weighted-average common shares outstanding (in millions)	146	146	146	146	146
Operating Income	\$ 337	\$ 12	\$ 8	\$ -	\$ 357
Depreciation and Amortization	21	-	-	-	21
OIBITDA (non-GAAP) ⁽²⁾	\$ 358	\$ 12	\$ 8	\$ -	\$ 378
OIBITDA (non-GAAP) margin ⁽²⁾	44.6%				47.1%

Notes:

- ⁽¹⁾ The number of shares issued in the spin-off on November 17, 2006 was approximately 146 million. For basic and diluted earnings per share calculations, it was assumed that approximately 146 million shares were outstanding for the entire period. No additional shares were issued through December 31, 2006.
- ⁽²⁾ OIBITDA is a non-GAAP measure that represents Operating Income Before Interest, Taxes, Depreciation, and Amortization. OIBITDA margin is calculated by dividing OIBITDA by total operating revenue.
- ⁽³⁾ On-going pension costs are expected to be reduced, primarily as a result of the 414(l) pension asset transfer from the Verizon pension plan as the result of the Idearc spin-off from Verizon. This reduction is partially offset by anticipated higher OPEB costs. This pro forma adjustment reflects the expected on-going pension and OPEB cost levels for this historical period.
- ⁽⁴⁾ Reflects the impact of entry into a new printing contract which resulted in a reduction in printing cost rates.
- ⁽⁵⁾ As a result of the spin-off on November 17, 2006, Idearc now has \$9.1 billion of debt and will incur interest expense that it did not incur in the past. This pro forma adjustment is to reflect the ongoing interest expense levels during this historical period.

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IDEARC INC.

Reconciliation of OIBITDA (non-GAAP) to OIBITDA (non-GAAP) Before Accounting Change

Three and Six Months Ended June 30, 2007 compared to Three and Six Months Ended June 30, 2006

(dollars in millions)

Unaudited	Reported			Adjusted Pro Forma ⁽¹⁾		
	3 Mos. Ended	3 Mos. Ended	% Change	3 Mos. Ended	3 Mos. Ended	% Change
	6/30/07	6/30/06		6/30/07	6/30/06	
Operating Income	\$ 342	\$ 337	1.5%	\$ 369	\$ 357	3.4%
Depreciation and Amortization	22	21	4.8%	22	21	4.8%
OIBITDA (non-GAAP)	364	358	1.7%	391	378	3.4%
less: Accounting Change Impact	6	12	(50.0%)	6	12	(50.0%)
OIBITDA (non-GAAP) before accounting change	\$ 358	\$ 346	3.5%	\$ 385	\$ 366	5.2%

Unaudited	Reported			Adjusted Pro Forma ⁽¹⁾		
	6 Mos. Ended	6 Mos. Ended	% Change	6 Mos. Ended	6 Mos. Ended	% Change
	6/30/07	6/30/06		6/30/07	6/30/06	
Operating Income	\$ 674	\$ 698	(3.4%)	\$ 726	\$ 736	(1.4%)
Depreciation and Amortization	44	44	-	44	44	-
OIBITDA (non-GAAP)	718	742	(3.2%)	770	780	(1.3%)
less: Accounting Change Impact	4	15	(73.3%)	4	15	(73.3%)
OIBITDA (non-GAAP) before accounting change	\$ 714	\$ 727	(1.8%)	\$ 766	\$ 765	0.1%

Note:

⁽¹⁾ Previous schedules provide reconciliations of reported (GAAP) results to adjusted pro forma (non-GAAP) results for the periods shown above.

IDEARC INC.
Consolidated Balance Sheets
Reported (GAAP)
As of June 30, 2007 and December 31, 2006

(dollars in millions)

Unaudited	6/30/2007	12/31/2006	\$ Change
Assets			
Current assets:			
Cash and cash equivalents	\$ 169	\$ 172	\$ (3)
Accounts receivable, net of allowances of \$69 and \$76	413	325	88
Deferred directory costs	325	294	31
Prepaid expenses and other	8	13	(5)
Total current assets	915	804	111
Property, plant and equipment	481	474	7
Less: accumulated depreciation	347	331	16
	134	143	(9)
Goodwill	73	73	-
Other intangible assets, net	89	103	(14)
Pension assets	182	174	8
Non-current deferred tax assets	54	21	33
Debt issuance costs	92	97	(5)
Other noncurrent assets	37	-	37
Total Assets	\$ 1,576	\$ 1,415	\$ 161
Liabilities and Stockholders' Equity (Deficit)			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 247	\$ 412	\$ (165)
Deferred revenue	218	190	28
Current maturities of long-term debt	48	48	-
Current deferred taxes	46	5	41
Other	30	42	(12)
Total current liabilities	589	697	(108)
Long-term debt	9,043	9,067	(24)
Employee benefit obligations	404	401	3
Unrecognized tax benefits	112	-	112
Other liabilities	3	4	(1)
Stockholders' equity (deficit):			
Common stock (\$.01 par value; 225 million shares authorized, 146,838,069 and 145,851,862 shares issued and outstanding in 2007 and 2006, respectively)	1	1	-
Additional paid-in capital (deficit)	(8,779)	(8,786)	7
Retained earnings	244	99	145
Accumulated other comprehensive loss	(41)	(68)	27
Total stockholders' equity (deficit)	(8,575)	(8,754)	179
Total Liabilities and Stockholders' Equity (Deficit)	\$ 1,576	\$ 1,415	\$ 161

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IDEARC INC.
Consolidated Statements of Cash Flows
Reported (GAAP)
Six Months Ended June 30, 2007 Compared to Six Months Ended June 30, 2006

(dollars in millions)

Unaudited	6 Mos. Ended 6/30/07	6 Mos. Ended 6/30/06	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 212	\$ 435	\$ (223)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	44	44	-
Employee retirement benefits	10	28	(18)
Deferred income taxes	1	9	(8)
Provision for uncollectible accounts	64	72	(8)
Stock based compensation expense	28	15	13
Changes in current assets and liabilities			
Accounts receivable	(152)	(54)	(98)
Deferred directory costs	(31)	8	(39)
Other current assets	1	(2)	3
Accounts payable and accrued liabilities	(25)	(13)	(12)
Other, net	(14)	(14)	-
Net cash provided by operating activities	<u>138</u>	<u>528</u>	<u>(390)</u>
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(22)	(26)	4
Proceeds from sale of assets	1	20	(19)
Other, net	4	9	(5)
Net cash (used in) provided by investing activities	<u>(17)</u>	<u>3</u>	<u>(20)</u>
Cash Flows from Financing Activities			
Repayment of long-term debt	(24)	-	(24)
Change in note receivable due from former parent	-	(112)	112
Dividends paid to Idearc stockholders	(100)	-	(100)
Dividends / returns of capital paid to former parent	-	(419)	419
Net cash used in financing activities	<u>(124)</u>	<u>(531)</u>	<u>407</u>
Decrease in cash and cash equivalents	<u>(3)</u>	<u>-</u>	<u>(3)</u>
Cash and cash equivalents, beginning of year	172	-	172
Cash and cash equivalents, end of period	<u>\$ 169</u>	<u>\$ -</u>	<u>\$ 169</u>

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IDEARC INC.

Muti-Product Advertising Sales

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/07	3 Mos. Ended 6/30/06	3 Mos. Ended 6/30/05	6 Mos. Ended 6/30/07	6 Mos. Ended 6/30/06	6 Mos. Ended 6/30/05
Net Print Products Revenue⁽¹⁾	\$ 751	\$ 774	\$ 794	\$ 1,462	\$ 1,503	\$ 1,564
<i>% Change year-over-year</i>	(3.0%)	(2.5%)		(2.7%)	(3.9%)	
Net Internet Revenue⁽²⁾	73	55	49	141	107	98
<i>% Change year-over-year</i>	32.7%	12.2%		31.8%	9.2%	
Net Multi-Product Advertising Sales⁽³⁾	824	829	843	1,603	1,610	1,662
<i>% Change year-over-year</i>	(0.6%)	(1.7%)		(0.4%)	(3.1%)	

Notes:

(1) Net print products revenue represents the total revenue value (less a provision for sales allowances) of directories published that will be amortized over the life of the directories, which is typically 12 months. Directories from preceding periods have been aligned to match the publication schedule of 2007 publications, allowing for a meaningful comparison of current publications to previous publications.

(2) Net Internet revenue represents total revenue for our fixed-fee and performance-based advertising products less a provision for sales allowances. Fixed-fee advertising includes advertisement placement on our Superpages.com website, and website development and hosting for our advertisers. Revenue from fixed-fee advertisers is recognized monthly over the life of the advertising service. Performance-based advertising revenue is earned when consumers connect with our Superpages.com advertisers by a "click" on their Internet advertising or a phone call to their business. Revenue from performance-based advertising is recognized when there is evidence that qualifying transactions have occurred.

(3) Net multi-product advertising sales is a statistical measure. It is important to distinguish net multi-product advertising sales from total operating revenue, which on our financial statements is recognized under the deferral and amortization method.

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About Idearc Inc.

[Idearc Inc.](#) (NYSE:IAR) connects buyers and sellers with its multi-platform of advertising solutions including [Verizon® Yellow Pages](#), Verizon® White Pages, smaller-sized portable [Verizon® Yellow Pages Companion Directories](#), [Superpages.com](#)®, [Superpages Mobile](#)™, [Solutions At Hand](#)™ magazine, [Solutions at Home](#)™ magazine and Solutions on the Move™ and [Solutions Direct](#)™ direct mail packages. Idearc provides sales, publishing and other related services for more than 1,200 distinct directory titles in 35 states and the District of Columbia. Superpages.com, the expert in local search with more than 2.8 billion network searches and 18 million business listings in the United States in 2006, offers advertisers a variety of [online advertising](#) solutions. Superpages Mobile™ provides local search functionality for wireless subscribers. For more information, visit www.idearc.com.

IDEARC'S ONLINE NEWS CENTER: Idearc news releases, fact sheets, biographies, media contacts, high quality video and images and other information are available at Idearc's News Center on the World Wide Web at www.idearc.com/pressroom.

Certain statements included in this press release and the hyperlinked materials constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements reflect Idearc's current views with respect to its financial performance and future events with respect to its business and industry in general. Statements that include the words "may," "could," "should," "would," "believe," "anticipate," "forecast," "estimate," "expect," "intend," "plan," "project," "outlook" and similar expressions identify forward-looking statements. Idearc cautions you not to place undue reliance on these forward-looking statements. The following important factors could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: (i) risks inherent in our spin-off from Verizon Communications Inc., including increased costs and reduced profitability associated with operating as an independent company; (ii) risks related to our borrowings; (iii) risks associated with our dependence on key agreements entered into with Verizon in connection with our spin-off; (iv) risks associated with our ability to replicate services provided to us by Verizon prior to our spin-off and currently under the transition services agreement; (v) increased demands on our management team as a result of operating as an independent company; (vi) changes in our competitive position due to competition from other yellow pages publishers and search engines and/or our ability to anticipate or respond to changes in technology and user preferences; (vii) changes in the availability and cost of printing raw materials and third-party printers and distributors; (viii) changes in U.S. labor, business, political and/or economic conditions; (ix) changes in governmental regulations and policies and actions of regulatory bodies; (x) changes in operating performance; and (xi) access to capital markets and changes in credit ratings. For a discussion of these and other risks and uncertainties, see Idearc Inc.'s periodic filings with the Securities and Exchange Commission, which you may view at www.sec.gov, and in particular, Idearc Inc.'s Annual Report on Form 10-K for the year ended December 31, 2006.

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