



1st QUARTER 2014 EARNINGS RESULTS

Fran Shammo
Chief Financial Officer

April 24, 2014



“Safe Harbor” Statement

NOTE: In this presentation we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words “anticipates,” “believes,” “estimates,” “hopes” or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The following important factors, along with those discussed in our filings with the Securities and Exchange Commission (the “SEC”), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the ability to realize the expected benefits of our transaction with Vodafone in the timeframe expected or at all; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; significantly increased levels of indebtedness as a result of the Vodafone transaction; changes in tax laws or treaties, or in their interpretation; adverse conditions in the U.S. and international economies; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; material changes in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; the effects of competition in the markets in which we operate; changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings; significant increases in benefit plan costs or lower investment returns on plan assets; and the inability to implement our business strategies.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/investor.



CONSOLIDATED Earnings Summary

	1Q '14 EPS
Reported	\$1.15
Less:	
Omnitel Gain on Sale	\$0.55
Add:	
Debt redemption	\$0.17
Purchase transaction costs	\$0.08
Adjusted	\$0.84

Note: Results above are adjusted for non-operational items. Amounts may not add due to rounding.

Strong earnings per share



ILLUSTRATIVE NON-GAAP CONSOLIDATED EARNINGS Full Ownership of VZW – 1Q '14

	1Q '14 *	
	Net Income (\$B)	EPS
Adjusted Earnings	\$2.9	\$0.84
Add:	\$1.2	
45% VZW Income (1/1/14 – 2/21/14)	\$1.9	
Tax effect	(\$0.8)	
Less:	(\$0.3)	
Transaction related costs (1/1/14 – 2/21/14)	(\$0.4)	
Tax effect	\$0.2	
Adjusted to show full 1Q '14 VZW ownership	\$3.8	\$0.91**

Note: Verizon acquired full ownership of Verizon Wireless on 2/21/14. The illustration above assumes 100% ownership of Verizon Wireless from 1/1/14 to 3/31/14.

* Results above are adjusted for non-operational items. Amounts may not add due to rounding.

** Assumes 4.149 billion diluted shares outstanding from 1/1/14 to 3/31/14.

Full ownership illustrative impact in 1Q '14 of \$0.07 per share



CONSOLIDATED
1Q '14 Overview

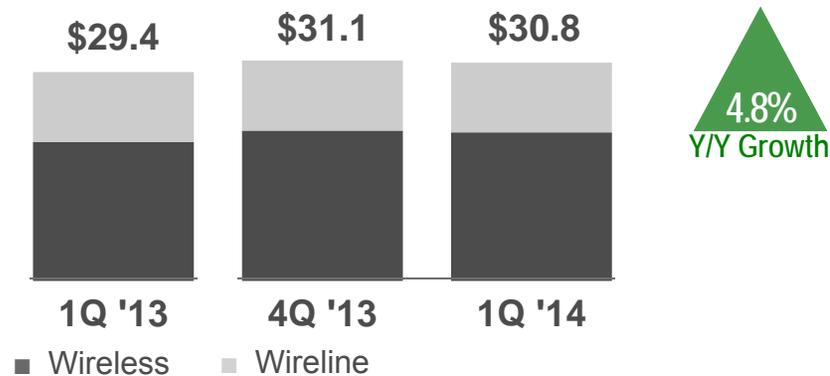
- Double-digit growth in operating income and earnings per share for past five quarters
- Strongest consolidated revenue growth in past five quarters
- Industry-leading wireless service revenue growth and profitability
- Growth in consumer revenue driven by FiOS
- Solid cash flow with a focus on disciplined investment

Delivered strong results



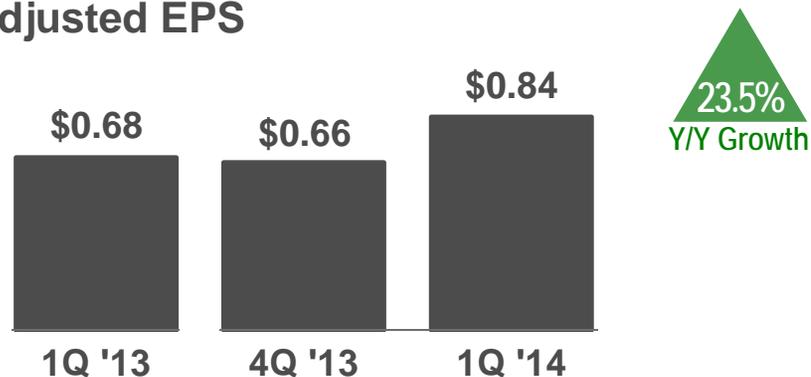
CONSOLIDATED 1Q '14 Financial Summary

Total Revenue (\$B)



- Consolidated revenue of \$30.8B, up 4.8% Y/Y
 - Revenue growth across all strategic areas

Adjusted EPS



- 1Q '14 EBITDA margin of 36.7%, up 160 bps Y/Y
- 1Q '14 adjusted EPS of \$0.84, up 23.5% Y/Y; reported EPS of \$1.15

Note: Results above for EPS are adjusted for non-operational items.

Revenue growth and margin expansion drive earnings



CONSOLIDATED Cash Flow

Cash Flow Summary (\$B)

	1Q '13	1Q '14	
Cash flow from operations	\$7.5	\$7.1	• 1Q '14 cash flow of \$7.1B
Capital expenditures	\$3.6	\$4.2	• 1Q '14 Capex/Revenue of 13.5%
Free cash flow	\$3.9	\$3.0	• 1Q '14 free cash flow of \$3.0B
Total Debt	\$52.9	\$109.8	
Net Debt to Adjusted EBITDA	1.2x	2.5x	

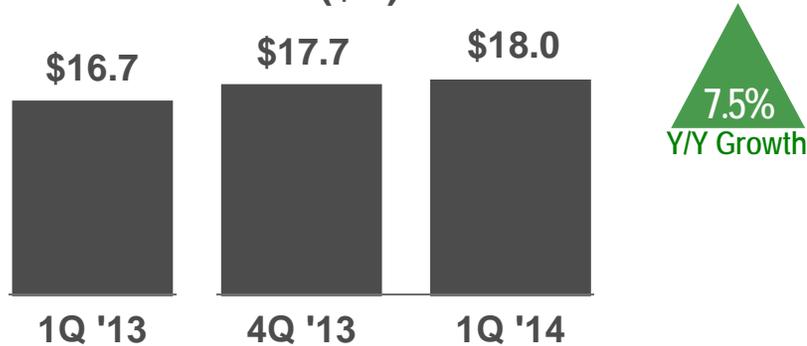
Note: Amounts may not add due to rounding.

Solid cash flow and capital profile



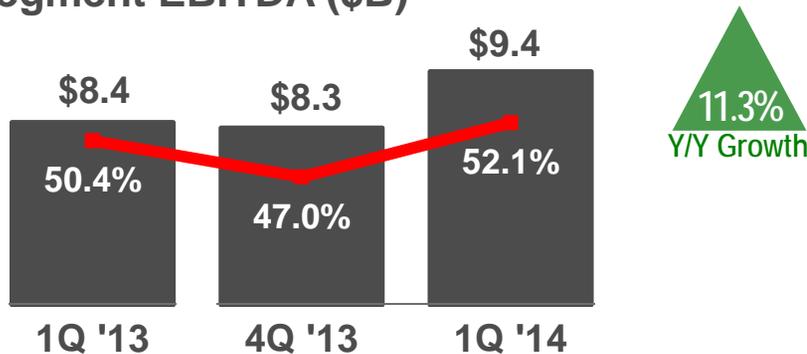
WIRELESS Revenue & Profitability

Service Revenue (\$B)



- Sustained strong service revenue growth in 1Q '14
- Total revenue growth of 6.9% Y/Y
- EBITDA growth of 11.3% Y/Y
- EBITDA service margin expands to 52.1%, up 170 bps Y/Y

Segment EBITDA (\$B)



■ EBITDA Service Margin %

Disciplined execution drives growth in revenue and profitability



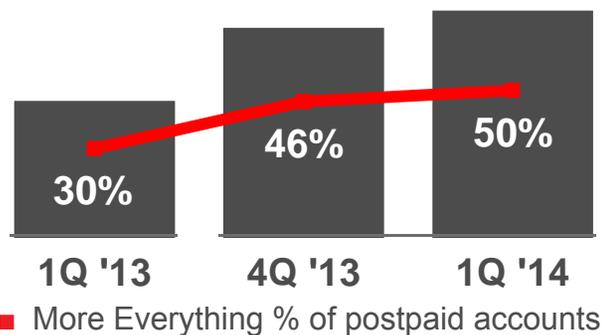
WIRELESS ARPA

Retail Postpaid ARPA



- Retail postpaid ARPA of \$159.67, up 6.3% Y/Y
 - 50% of postpaid accounts on More Everything Plans
 - Smartphone penetration of 72%, up from 61% a year ago
- 35.1M retail postpaid accounts
 - 2.77 connections per account

More Everything Accounts

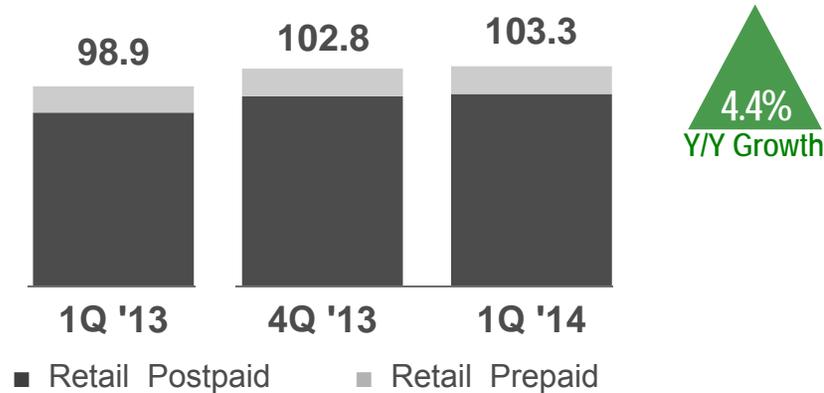


Connections and usage growth driving high-tier data plans



WIRELESS Connections / Net Adds / Churn

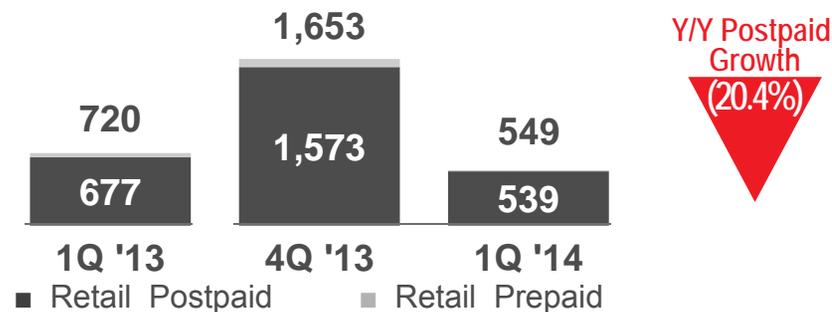
Retail Connections (M)



- 539K retail postpaid net adds in 1Q '14 including 866K 4G smartphones*

- Retail postpaid tablet net adds of 634K in 1Q '14, tablet base now at 4.3M

Retail Net Adds* (000)



- 6.5% of retail postpaid base upgraded in 1Q '14

- Retail postpaid churn of 1.07% in 1Q '14

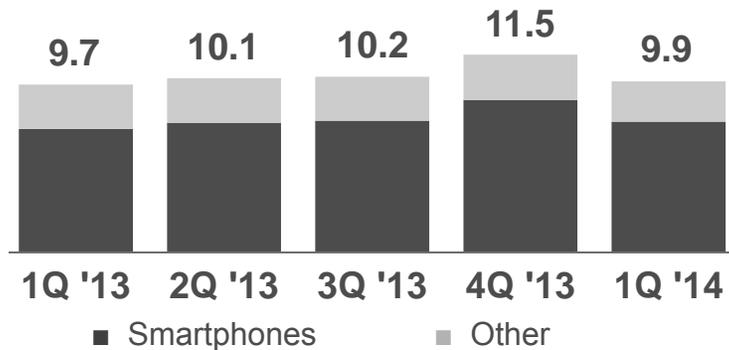
* Excludes acquisitions and adjustments

4G smartphones and tablets drive retail postpaid net adds



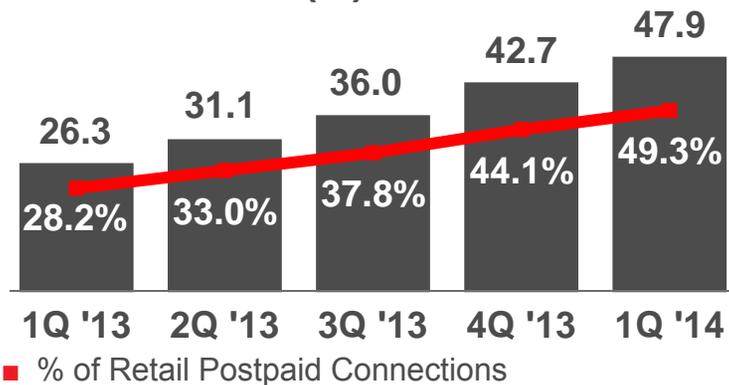
WIRELESS Devices / 4G LTE

Retail Postpaid Device Activations (M)



- 85% of device activations in 1Q '14 were phones
 - 7.6M smartphones activated in 1Q '14
- 8.1M 4G LTE device activations in 1Q '14
- Wireless 4G LTE network:
 - About 73% of total data traffic currently on 4G LTE network
 - Industry leading in 4G LTE connections

4G LTE Devices (M)

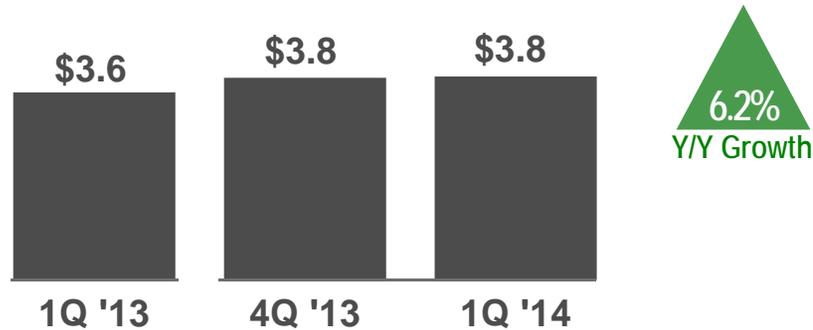


Independent testing confirms 4G LTE leadership



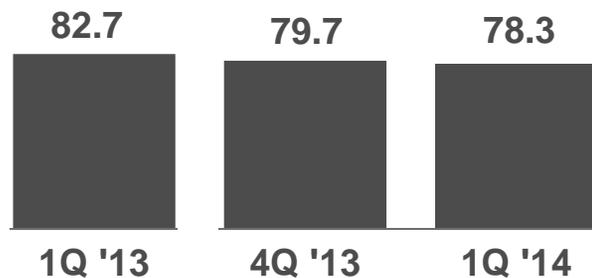
WIRELINE Mass Markets

Consumer Revenue (\$B)



- 6.2% consumer revenue growth Y/Y; 7th consecutive quarter of over 4% growth Y/Y
- FiOS now 74% of consumer revenue
 - 8.7% Y/Y growth in triple play customers
- FiOS Internet subscribers
 - 6.2M subscribers, 98K net adds
 - 39.7% penetration
- FiOS Video subscribers
 - 5.3M subscribers, 57K net adds
 - 35.0% penetration

Copper Migrations (K)

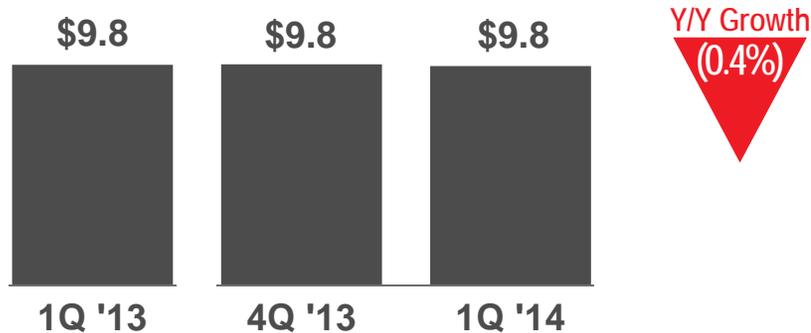


FiOS driving consumer growth



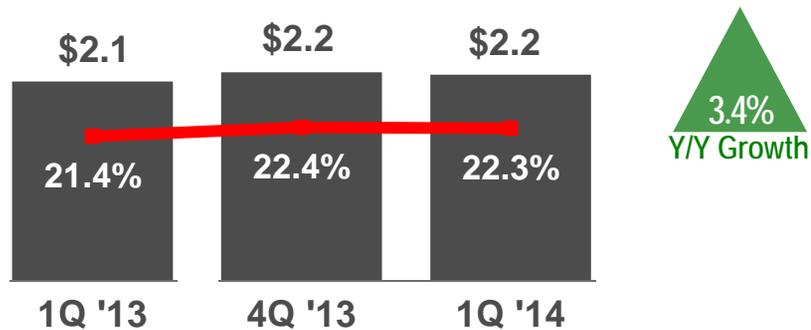
WIRELINE Revenue & Profitability

Total Revenue (\$B)



- FiOS revenue grew 15.5% Y/Y
- Global Enterprise revenue down 4.4% Y/Y
 - Strategic services revenue growth of 1.8% Y/Y

Segment EBITDA (\$B)



■ EBITDA Margin %

- Total revenue of \$9.8B in 1Q '14, down 0.4% Y/Y
- EBITDA margin of 22.3% in 1Q '14

Focus on improving long-term profitability



CONSOLIDATED Summary

- Continue to invest in network and platforms
- Focus on margin expansion and profitable growth
- Solid earnings momentum and cash flow generation
- Disciplined capital program across entire business
- Capitalize on strategic investments

Build on 1Q '14 momentum



1st QUARTER 2014 EARNINGS RESULTS

Fran Shammo
Chief Financial Officer

April 24, 2014