



2nd Quarter 2009 Earnings Conference Call

July 27, 2009

“Safe Harbor” Statement



NOTE: This presentation contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. 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 could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the effects of adverse conditions in the U.S. and international economies; the effects of competition in our markets; materially adverse changes in labor matters, including workforce levels and labor negotiations, and any resulting financial and/or operational impact, in the markets served by us or by companies in which we have substantial investments; the effect of material changes in available technology; any disruption of our suppliers’ provisioning of critical products or services; significant increases in benefit plan costs or lower investment returns on plan assets; the impact of natural or man-made disasters or existing or future litigation and any resulting financial impact not covered by insurance; technology substitution; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets impacting the cost, including interest rates, and/or availability of financing; any changes in the regulatory environments in which we operate, including any loss of or inability to renew wireless licenses, and the final results of federal and state regulatory proceedings and judicial review of those results; the timing, scope and financial impact of our deployment of fiber-to-the-premises broadband technology; changes in our 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; our ability to complete acquisitions and dispositions; our ability to successfully integrate Alltel Corporation into Verizon Wireless’s business and achieve anticipated benefits of the acquisition; and the inability to implement our business strategies.

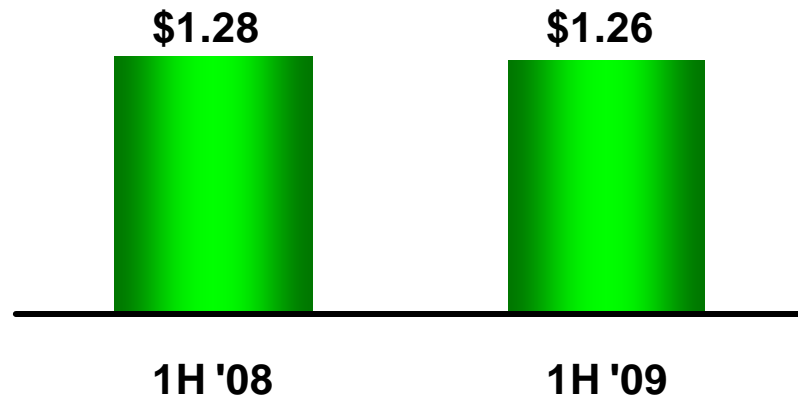
Throughout this presentation, results shown are adjusted for special items. Results reflect the reclassifications of revenues, expenses and operating income in the Wireline segment following the completion, on March 31, 2008, of the spin-off of our local exchange and related business assets in Maine, New Hampshire and Vermont. Reconciliations to generally accepted accounting principles (GAAP) for non-GAAP financial measures included in this presentation can be found on our website at www.verizon.com/investor.

Consolidated

Earnings and Cash Flow



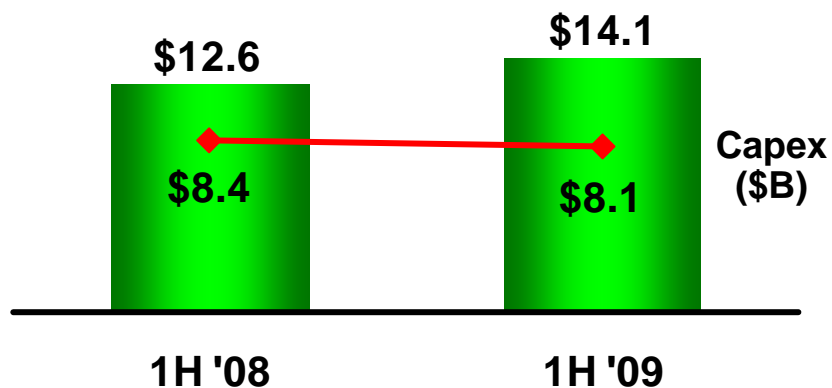
Adjusted Earnings Per Share



- Earnings per share
 - ✓ \$0.63 adjusted EPS in 2Q'09

- Cash flow growth
 - ✓ 12% increase in cash flow from operations
 - ✓ Free cash flow up 43% YTD

Cash Flow From Operations (\$B)



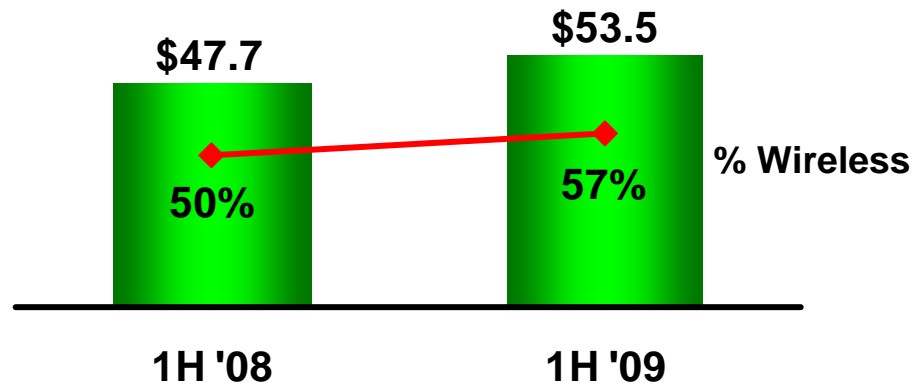
- Disciplined capital expenditures
 - ✓ 3.6% decrease YoY, including Alltel

Strong growth in cash flow

Revenue



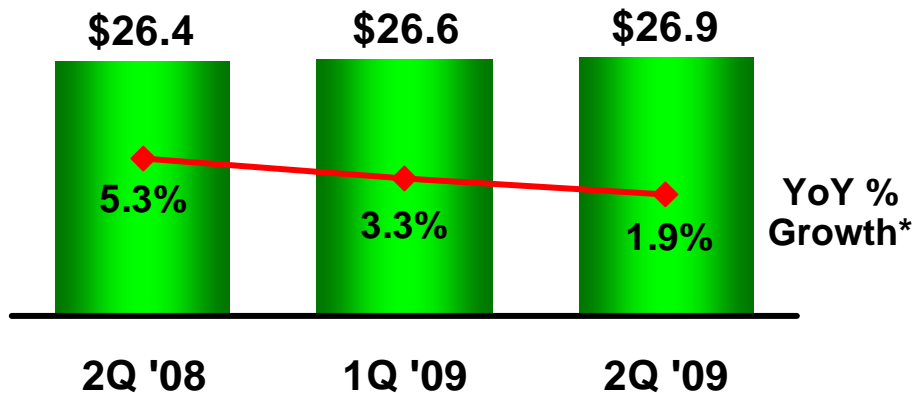
Total Revenue (\$B)



➤ 2Q'09 growth areas

- ✓ **Wireless service*** +9.0%
- ✓ **Wireless data*** +33.2%
- ✓ **Consumer** +2.0%
- ✓ **FiOS** +60.3%
- ✓ **IP services** +8.6%

Pro Forma Revenue* (\$B)



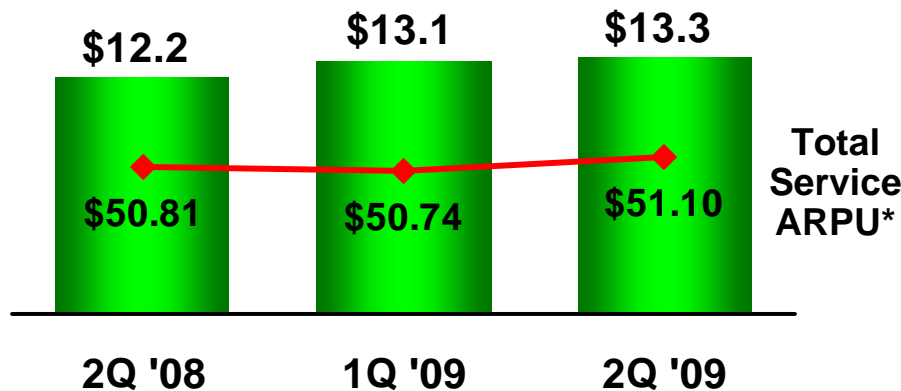
➤ 2Q'09 economic impacts

- ✓ **Small Business** (5.0%)
- ✓ **Global Enterprise** (6.7%)
- ✓ **Global Wholesale** (7.5%)

* Note: Results shown are pro forma

Continued growth in key areas

Total Service Revenue* (\$B)



➤ Service revenues* up \$1.1B or 9.0%

➤ Service ARPU* up 0.6%

➤ 87.7M total customers

➤ Subscriber growth

✓ 4.7M gross adds

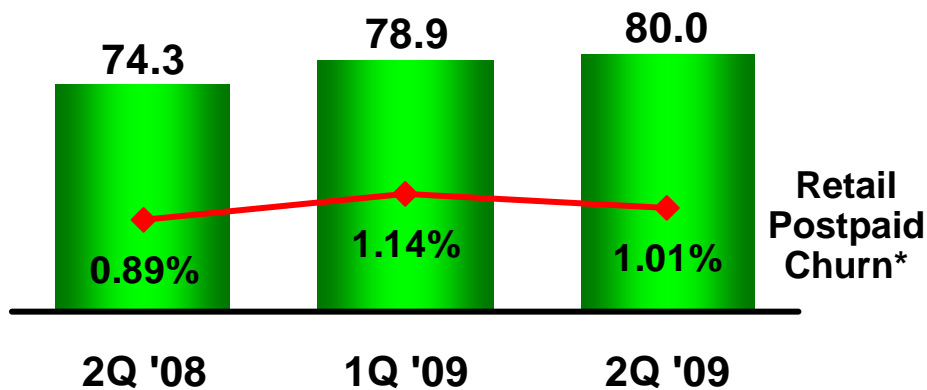
✓ 1.1M total net adds

✓ 1.1M retail postpaid net adds

✓ 67K retail prepaid net adds

** Note: Results shown are pro forma*

Retail Postpaid Customers* (M)

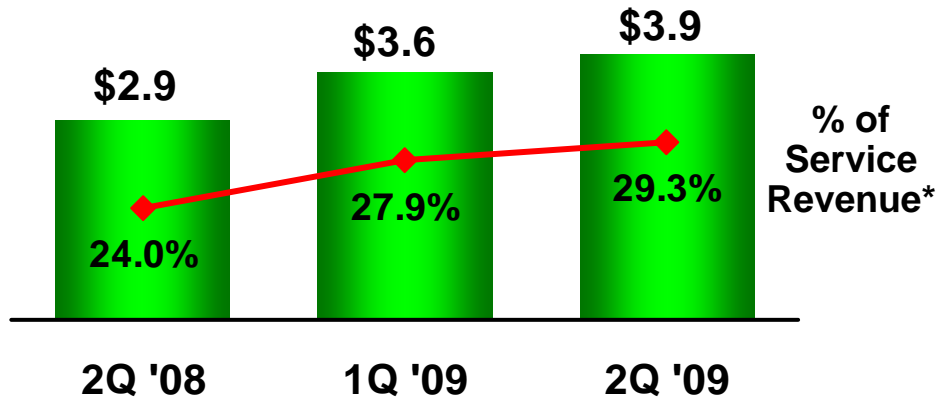


Continued solid wireless growth

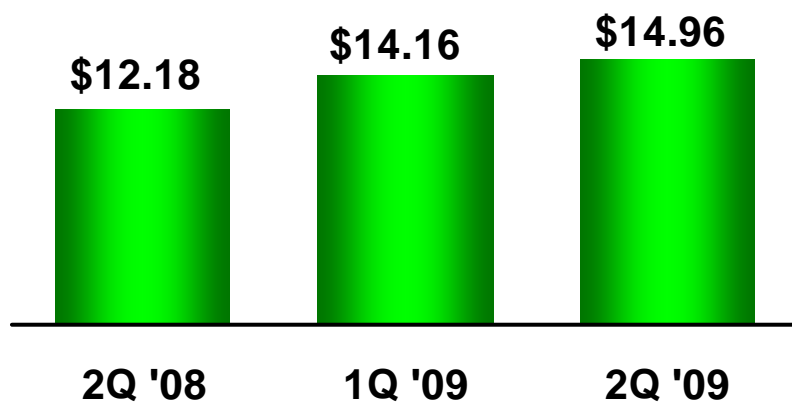
Data Revenue



Total Data Revenue* (\$B)



Total Data ARPU*



- 33.2% data revenue growth*
- 22.8% data ARPU growth*
- 60% of data revenue from non-messaging services
- Mobile Broadband expanding
 - ✓ PDA/Smartphones 40% of device sales
 - ✓ PC cards, MiFi, netbooks
- > 50 open development certified devices
- Introducing VZW Application Store

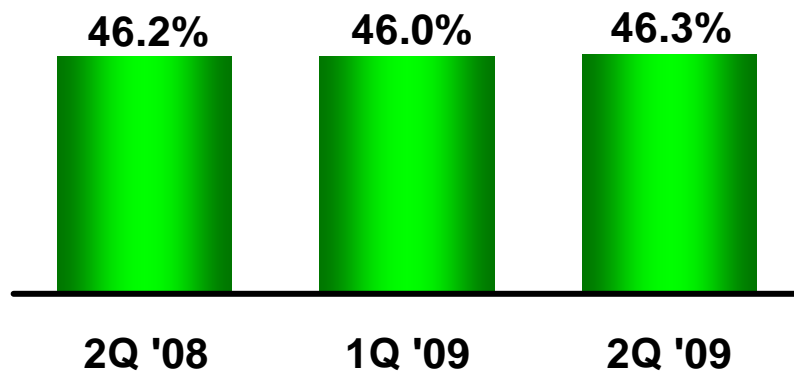
** Note: Results shown are pro forma*

Best network + great offers + valuable customers

Profitability

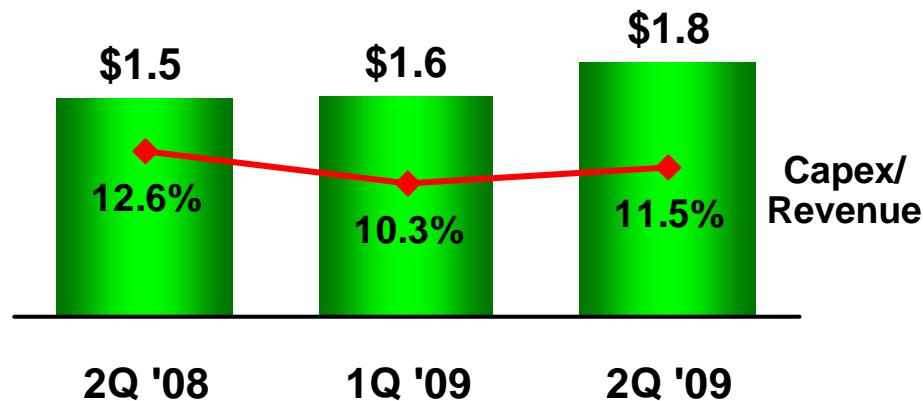


Service EBITDA Margin*



- \$6.2B EBITDA, up 9.4%*
- \$4.4B EBITDA less capex
- Alltel integration on-track
 - ✓ Billing conversions
 - ✓ Rebranding
 - ✓ Store & customer service integration
 - ✓ Network rationalization

Capital Expenditures (\$B)



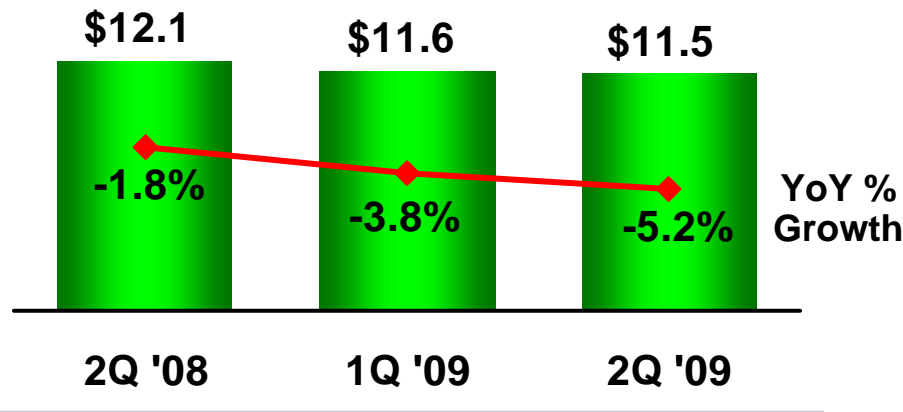
* Note: Results shown are pro forma

Strong profitability and cash flow growth

Revenue and Profitability

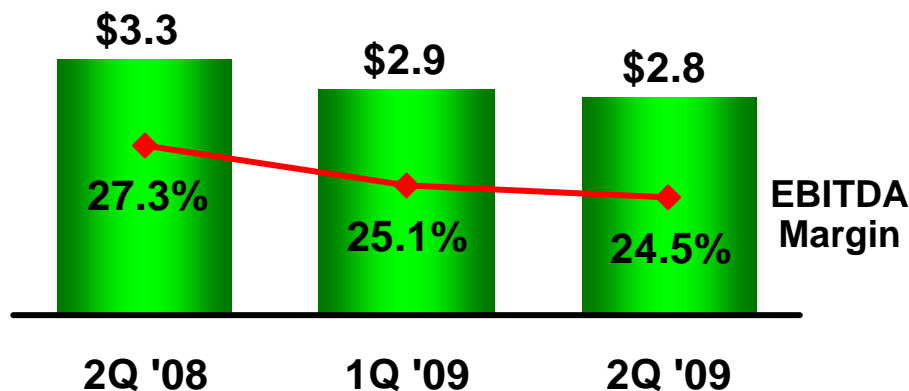


Total Revenue (\$B)



- Growth in consumer reflects strength of FiOS product
- Continuing economic pressure
 - ✓ primarily in business markets
 - ✓ affecting revenue and margin

EBITDA (\$B)



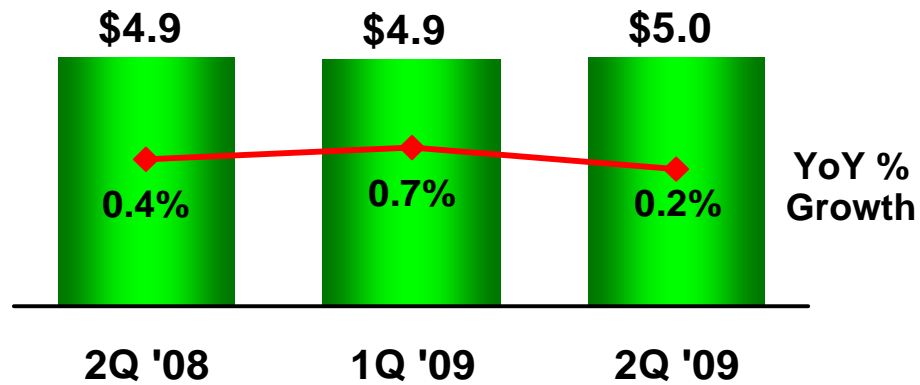
- Accelerating cost reduction plans
- Disciplined capital spending

Competing effectively in a difficult environment

Mass Markets Revenue

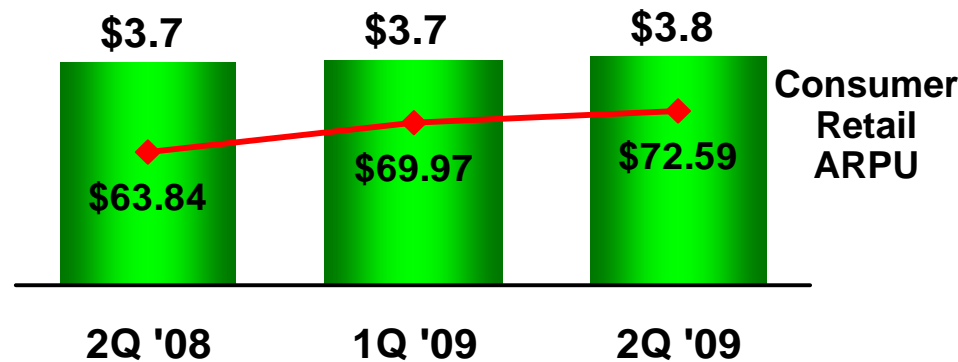


Mass Markets Revenue (\$B)



- 2.0% growth in consumer revenue
- 13.7% increase in consumer ARPU
- 60% increase in FiOS revenue

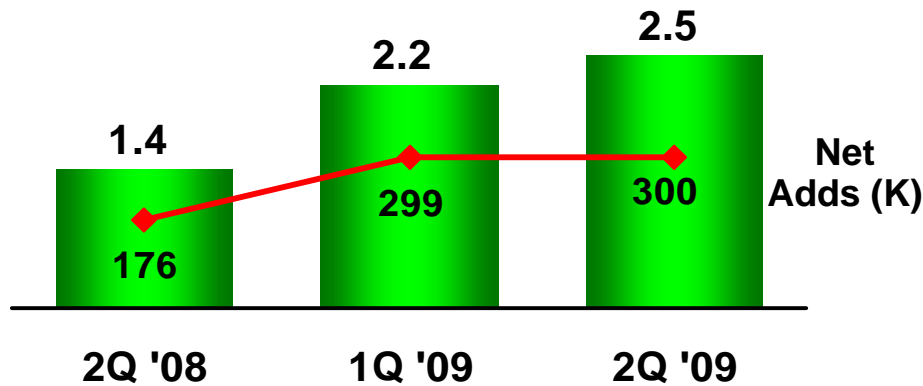
Consumer Revenue (\$B)



- Continued strength in FiOS ARPU
- Modest improvement in access line losses, (884K) total

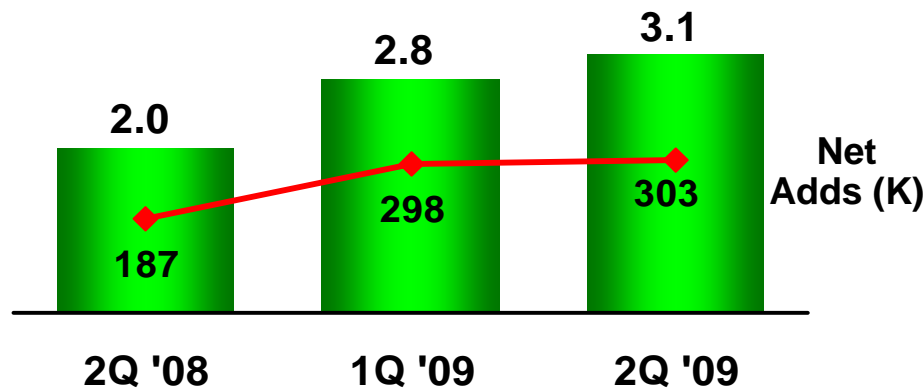
Healthy consumer demand for Verizon broadband & video

FiOS TV Customers (M)



- 25% TV penetration
- 28% Internet penetration, record net adds
- 186K total broadband net adds

FiOS Internet Customers (M)



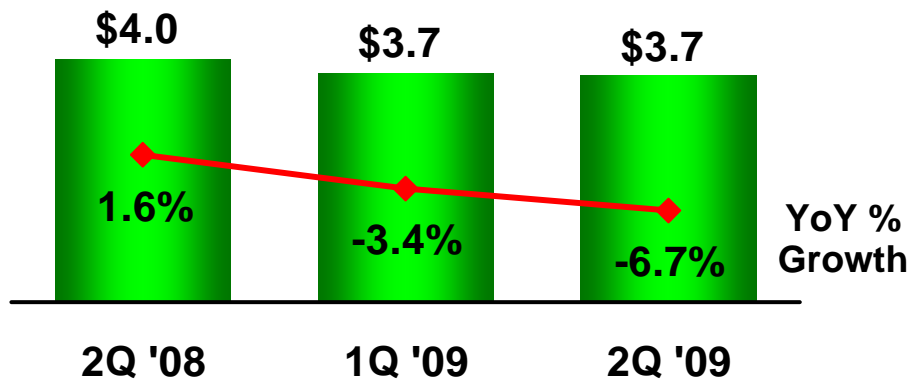
- Expanding value proposition
 - ✓ Enhanced broadband speeds
 - ✓ FiOS 1 channel content
 - ✓ Twitter & Facebook

Over 1.1 million new FiOS TV & Internet customers since 2Q'08

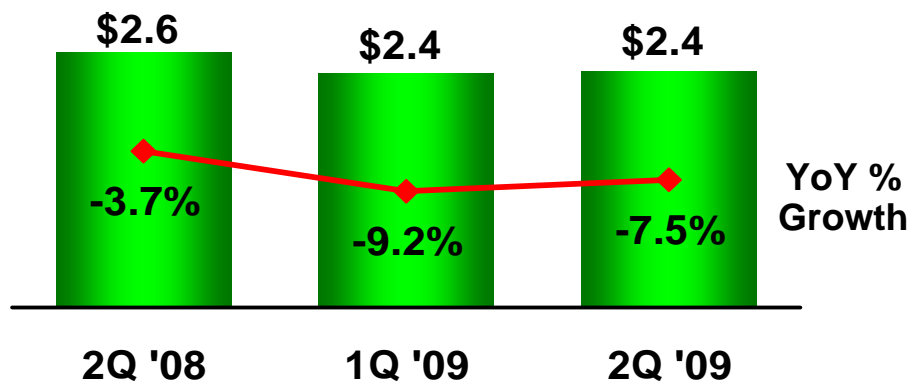
Enterprise & Wholesale Revenue



Global Enterprise Revenue (\$B)



Global Wholesale Revenue (\$B)



➤ Retail and Wholesale trends

- ✓ Growth in strategic services
- ✓ Cumulative unemployment impacting usage volumes
- ✓ Delayed customer capital decisions affecting CPE and IT spending

➤ Business opportunities

- ✓ Managed/Professional services
- ✓ Computing-as-a-Service

Positioned for economic recovery

2Q'09 Summary



- **Good operational execution in key growth areas**
- **Continued revenue and cash flow growth**
- **Strong balance sheet and attractive dividend**
- **Alltel integration and access line divestitures on track**
- **Given challenging environment, remain focused on**
 - ✓ **Maintaining cost discipline**
 - ✓ **Continuing to invest prudently and drive growth areas**

Results demonstrate superior products & focused execution