4^{th} Quarter 2010 Earnings Results

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“Safe Harbor” Statement

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Throughout this presentation, financial information shown excludes the results associated with the divested Wireless trust properties, the Frontier transaction and, where noted, other non-operational or one-time items. 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.

4Q ’10 Overview

- Strong overall financial performance
- Results driven by solid execution in the business
- Strong growth in Wireless revenue and postpaid ARPU
- Record high Wireless service EBITDA margin
- Improving overall Wireline revenue trends
- Wireline EBITDA margin expansion for third consecutive quarter
- Solid cash flows with improving metrics

23.1% return to shareholders in 2010

4Q ’10 Financial Summary

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Earnings Summary

	4Q ’10
Reported EPS	$0.93
Non-operational items	
• Pension & Benefits	$0.44
• Alltel integration	($0.05)
Total impact	$0.39

- Consolidated revenue of $26.4B, up 2.3%* Y/Y
- 33.6% Consolidated adjusted EBITDA margin, up 260 bps Y/Y*
- Strong cash flow
  - $8.2B cash flow from operations
  - $3.5B free cash flow

** Adjusted for non-operational items.*

Solid earnings performance

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Adjusted Earnings Per Share

	1Q '10	2Q '10	3Q '10	4Q '10	2010
Reported EPS	$0.16	($0.42)	$0.23	$0.93	$0.90
Impact of divested operations	($0.07)	($0.06)	—	—	($0.13)
Non-operational / one-time items	$0.39	$0.99	$0.32	($0.39)	$1.30
Adjusted EPS	$0.48	$0.51	$0.55	$0.54	$2.08

Note: Amounts may not add due to rounding.

Second half earnings acceleration

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Cash Flow

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Cash Flow Summary

	2009	2010
Cash from operations	$31.4B	$33.4B
Capital expenditures	$16.9B	$16.5B
Free cash flow	$14.5B	$16.9B
Dividends paid	$5.3B	$5.4B

- Cash from operations up 6.3% Y/Y
- Capital expenditures down 2.5% Y/Y
- Free cash flow up 16.4% Y/Y
- Net debt reduced by $14.1B Y/Y
- Net debt/Adjusted EBITDA of 1.3x*

** Adjusted for non-operational/one-time items.*

Strong free cash flow generation

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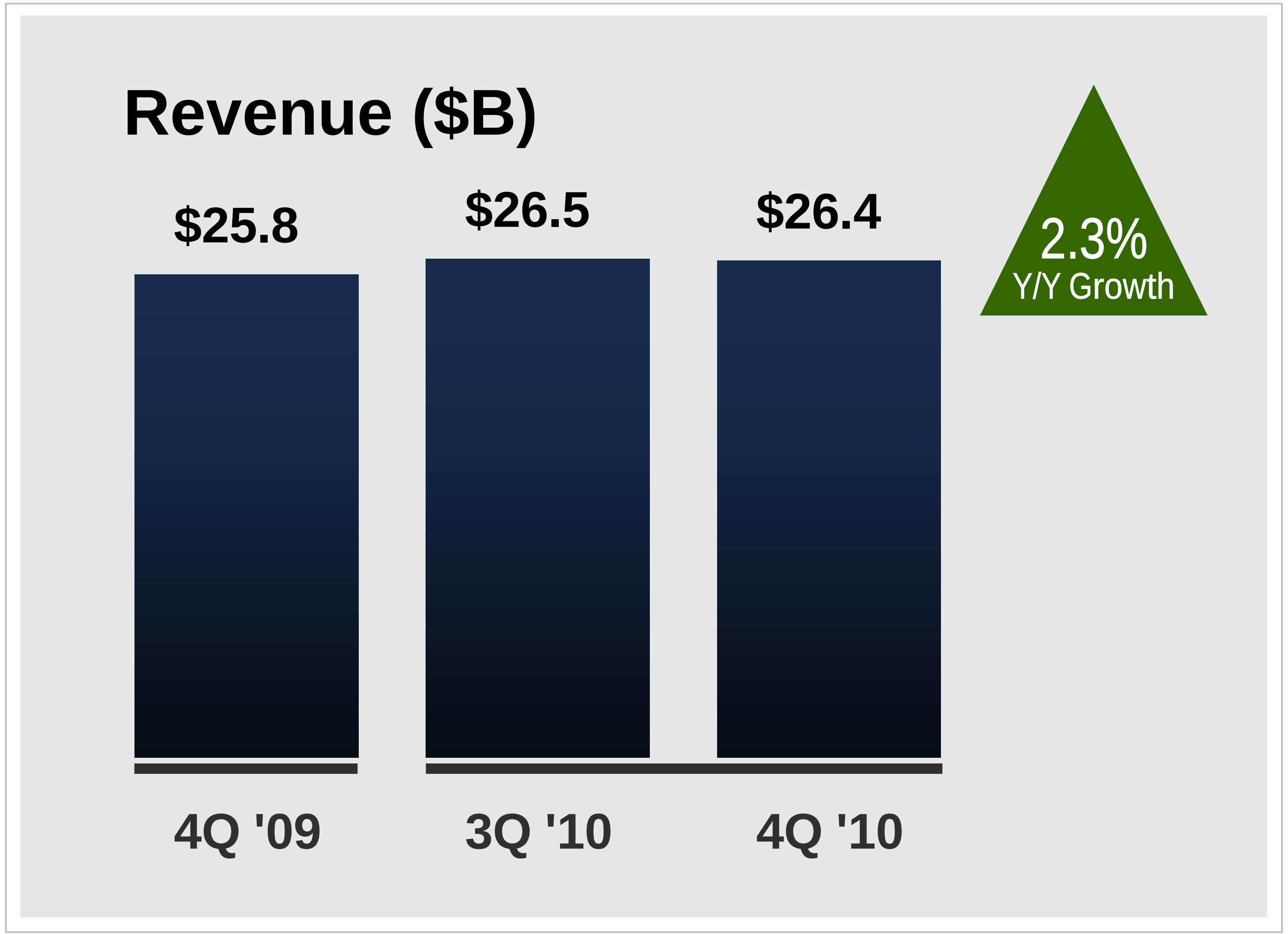
Revenue

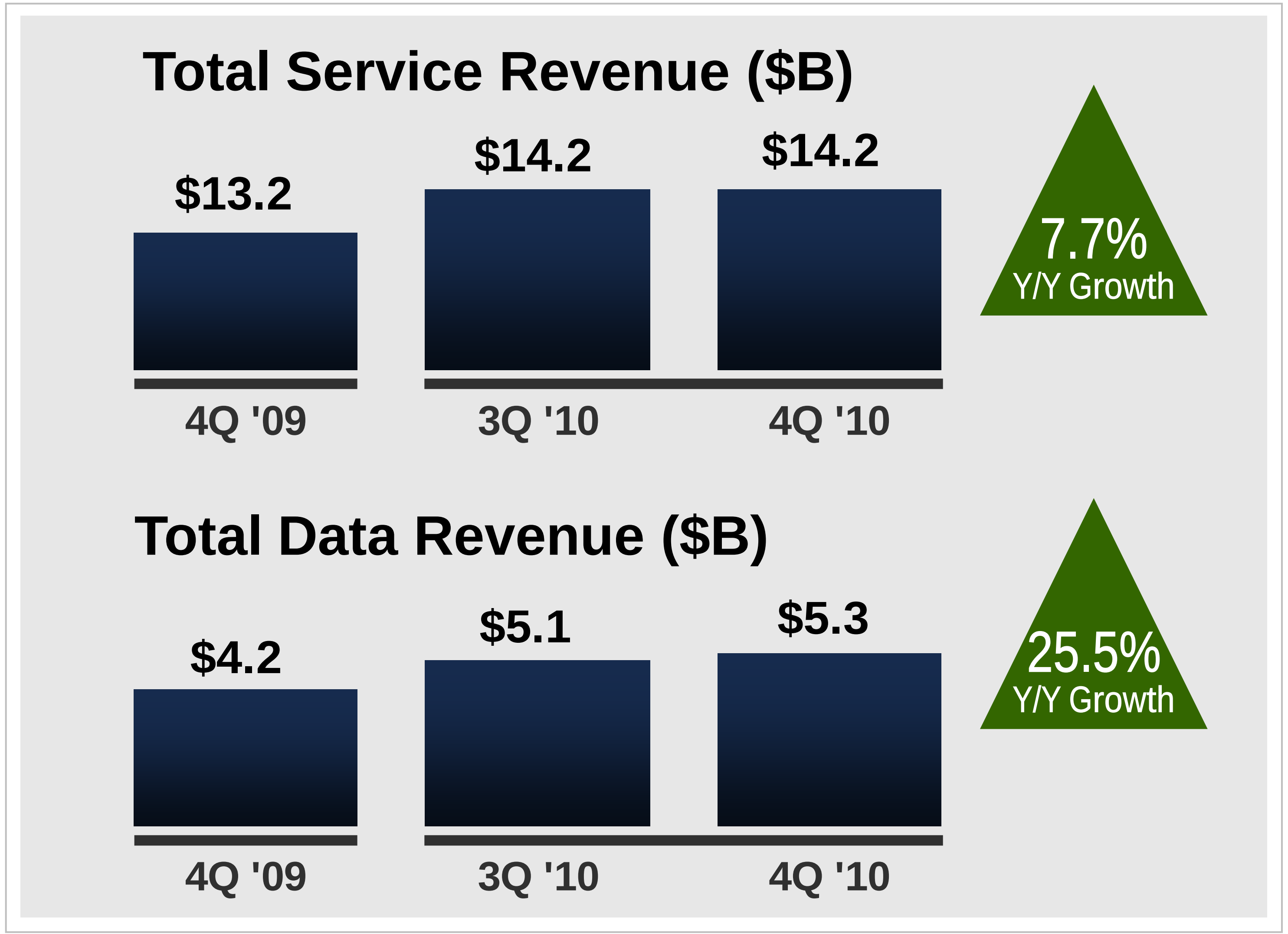


- Two-thirds of revenues are in higher growth areas
- Growth across all strategic areas Y/Y
  - Wireless service +7.7%
  - Wireless data +25.5%
  - FiOS +26.8%
  - Strategic enterprise +7.5%

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

Strategic areas driving top line growth

Revenue

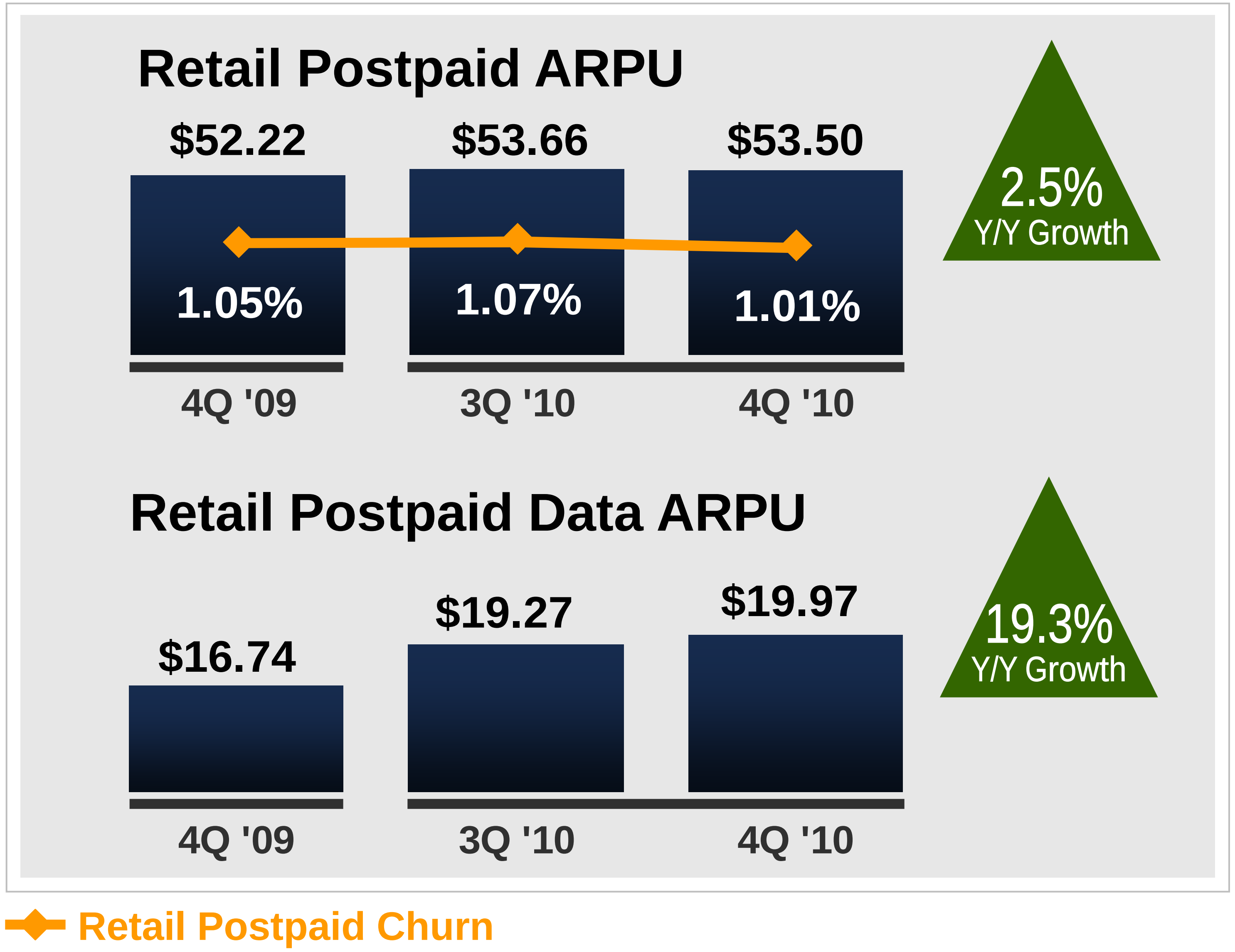


- Strong growth in traditional customers and other connections
  - 94.1M total customers
  - 102.2M total connections
- Retail postpaid remains key focus
  - 88% of traditional customer base
  - 68% on family share plans
- 26% of retail postpaid base have smartphones

Data driving revenue growth

WIRELESS

ARPU

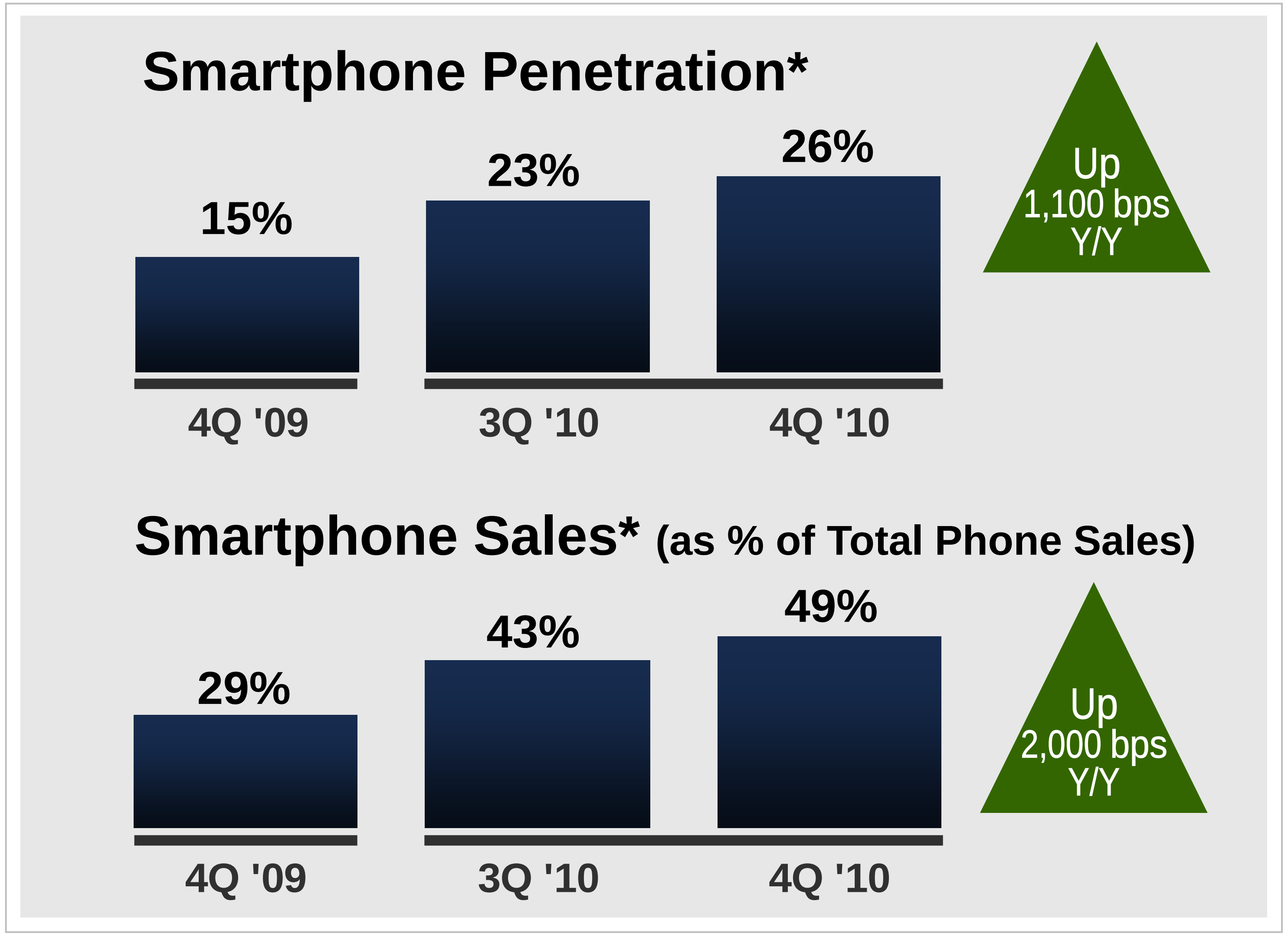


- Retail postpaid ARPU growth of 2.5% Y/Y
- Retail postpaid churn improvement
- Web and email services revenue up 43.3% Y/Y
- Messaging revenue up 9.6% Y/Y

ARPU growth acceleration

WIRELESS

Smartphones and Internet Devices

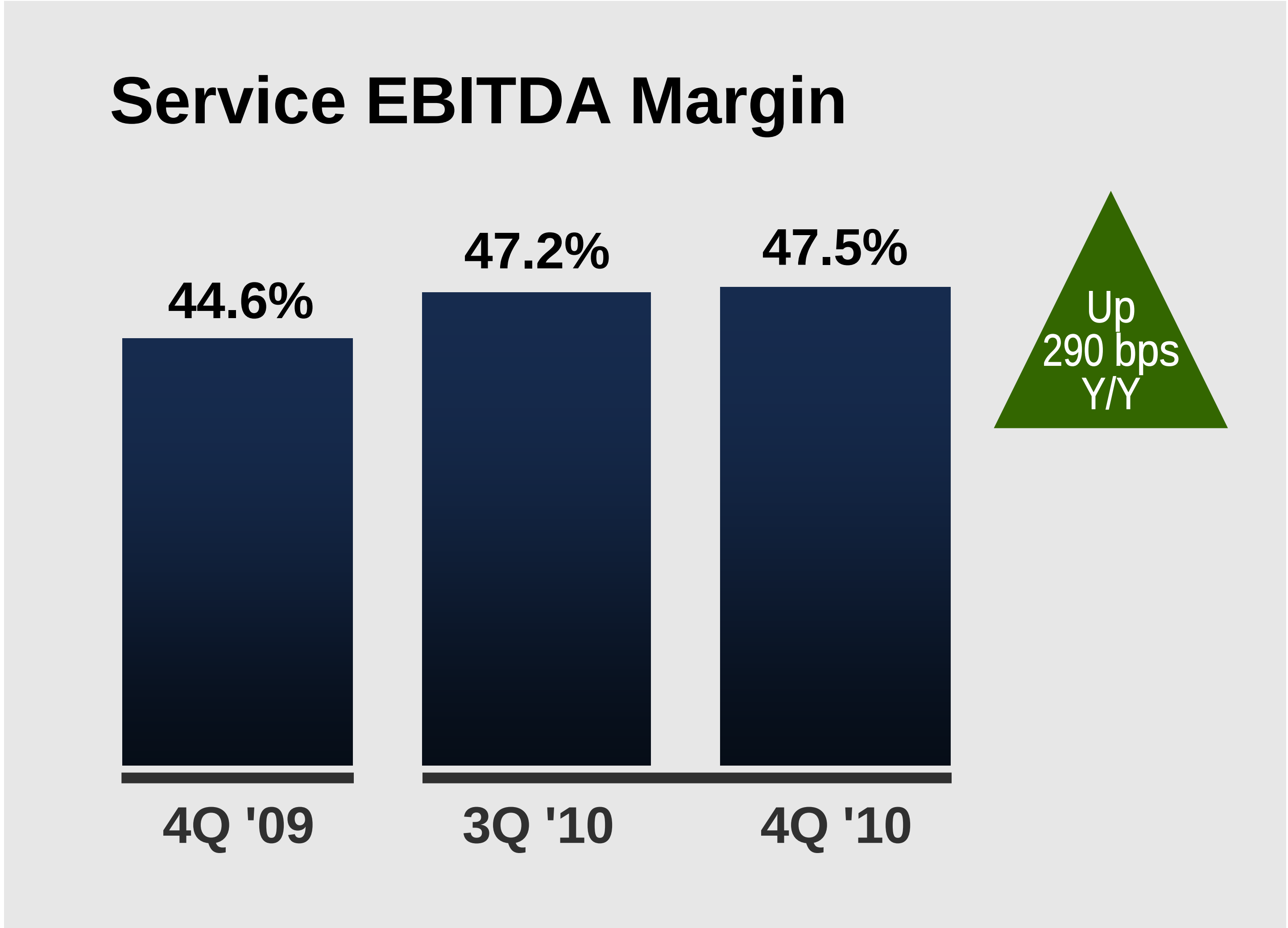


- Accelerating smartphone penetration
  - More than 75% of 4Q postpaid net adds are smartphones
- 9.0% of retail postpaid base upgraded in 4Q
  - ~63% of smartphone upgrades new to category
- 5.8M internet devices in postpaid base
  - 323K net adds in 4Q

** Results reflect percentage of retail postpaid base.*

Strong adoption of smartphones and internet devices

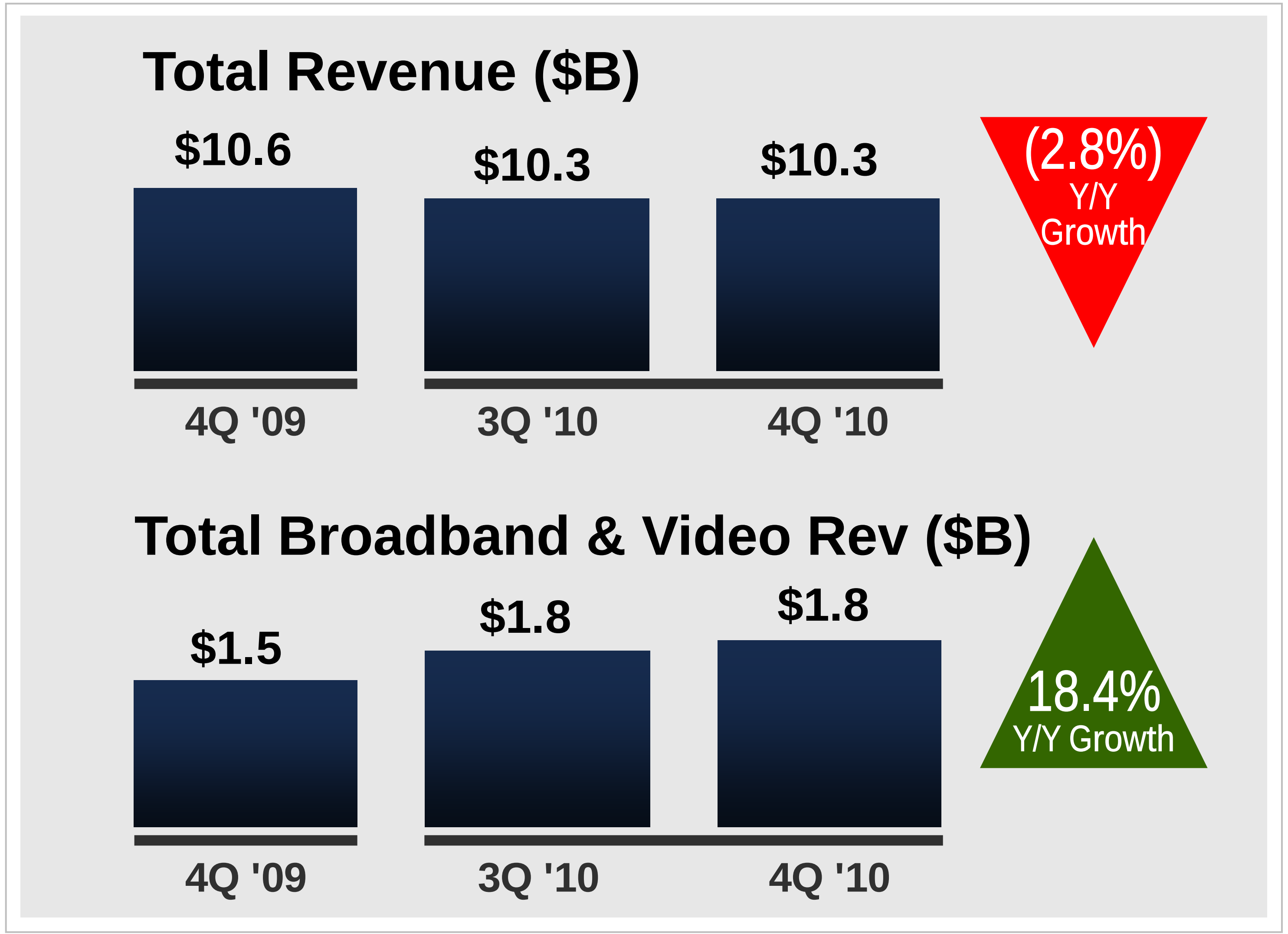
Profitability



- $6.7B EBITDA, up 14.6% Y/Y
- Margin expansion driven by:
  - Growing data revenues
  - Cost savings initiatives
  - Alltel synergy savings
- Sustained industry-leading profitability and cash generation

Revenue growth and margin expansion

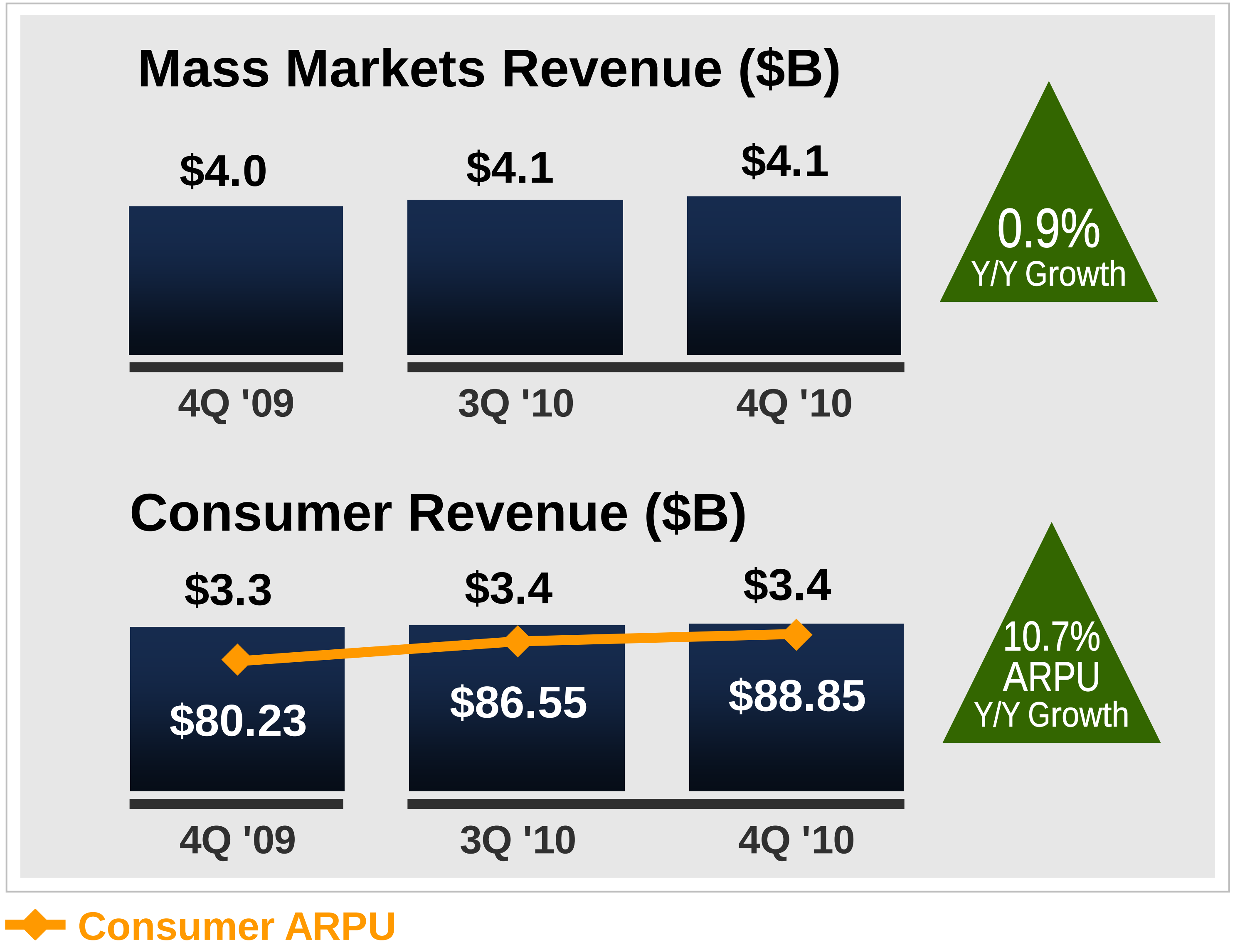
Revenue



- Consumer revenue up 1.6% Y/Y
- FiOS success continues
  - FiOS revenue grew 26.8% Y/Y
  - $146+ FiOS ARPU, up over 4% Y/Y
- Global Enterprise up 1.3% Y/Y
  - 3rd quarter of sequential revenue improvement
- Strategic enterprise services revenue up 7.5% Y/Y

Improving revenue trends

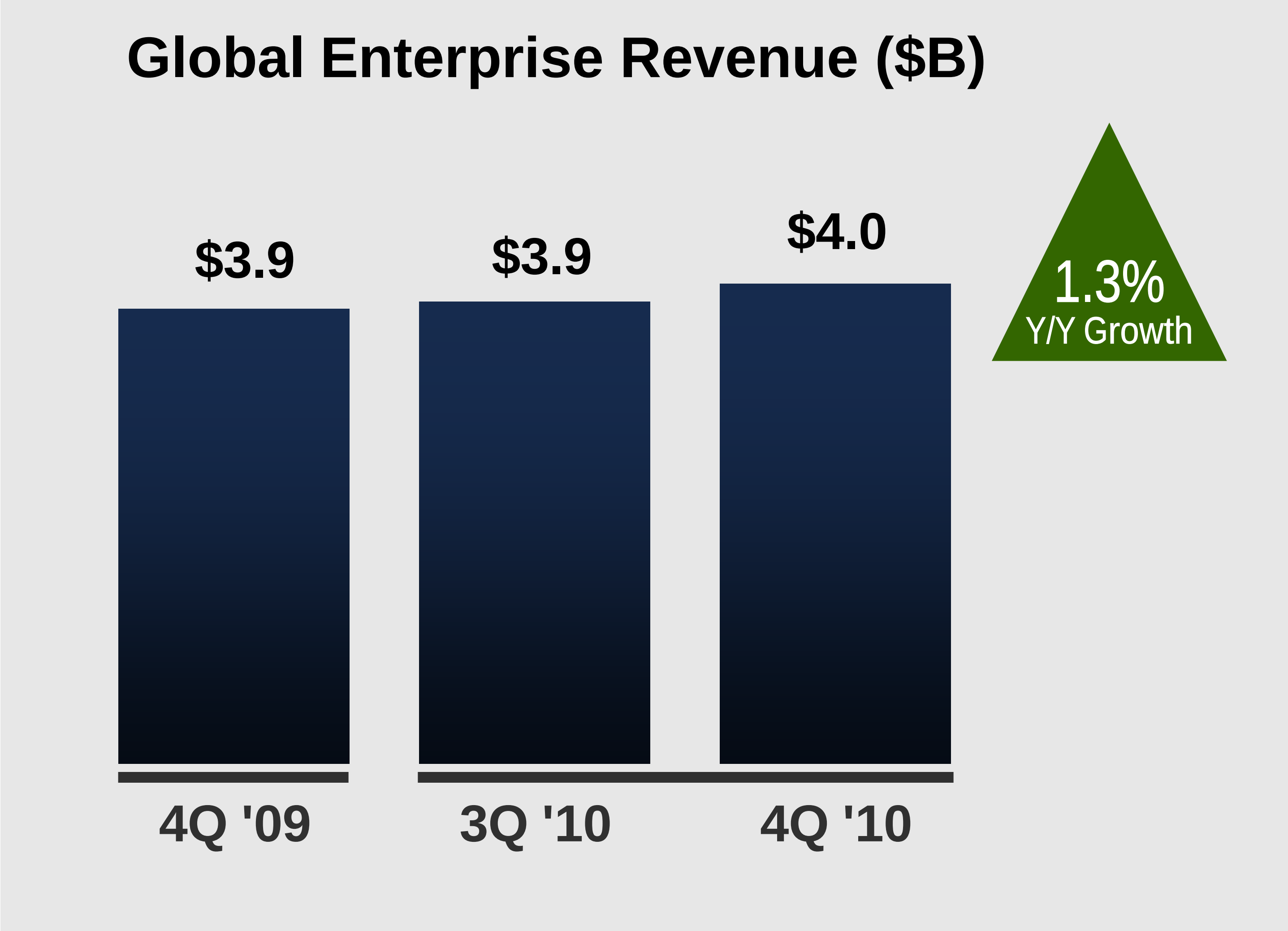
Mass Markets



- FiOS now 53% of consumer revenue
- FiOS TV subscribers
  - 3.5M subscribers
  - 182K net adds
  - 28% penetration
- FiOS Internet subscribers
  - 4.1M subscribers
  - 197K net adds
  - 32% penetration

Broadband and video driving growth

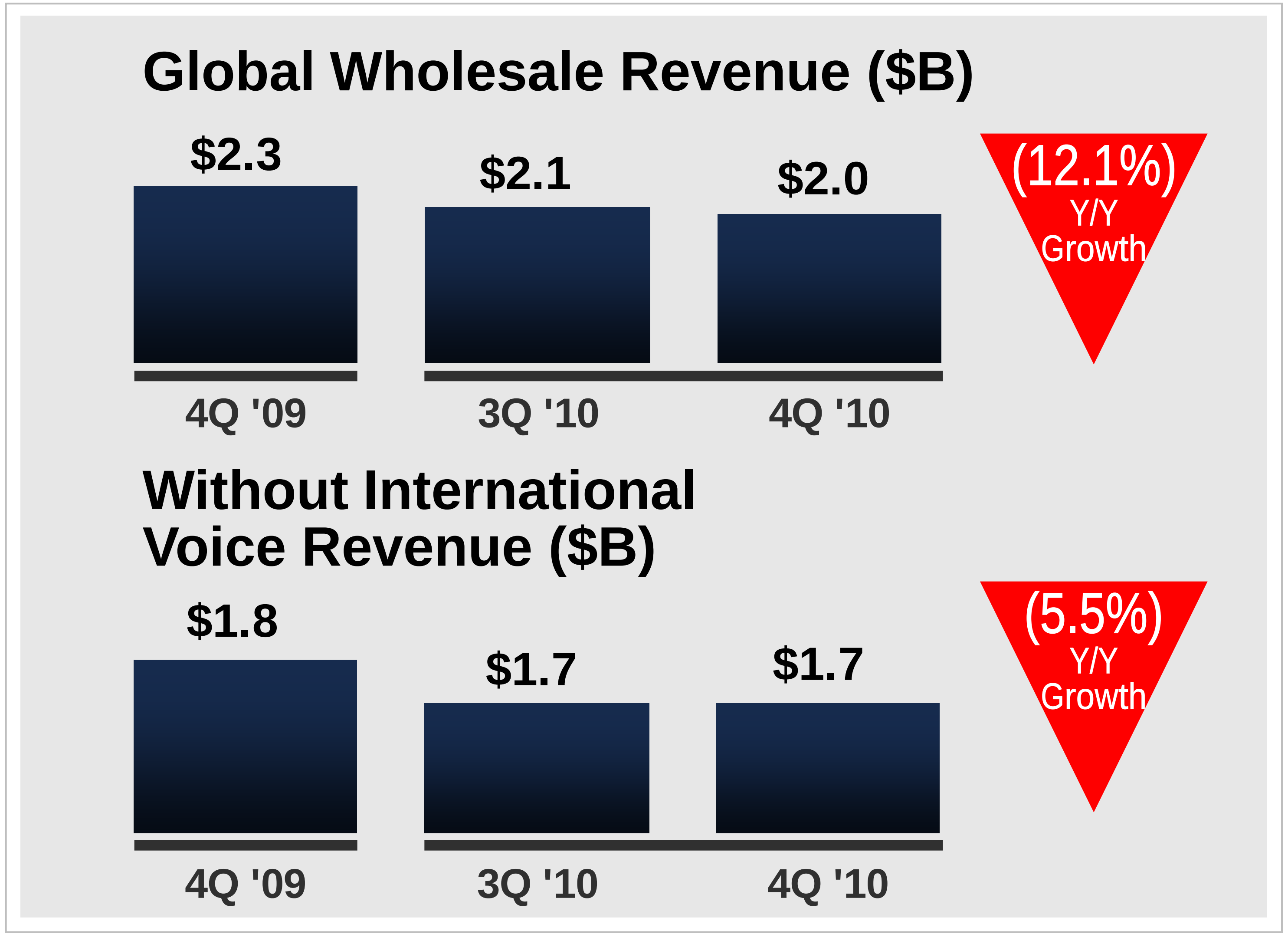
Global Enterprise



- Strategic enterprise services 44% of Global Enterprise revenue
- Strategic Services outpaced decline in Core Services
- Early signs of recovery

Global Enterprise trends improving

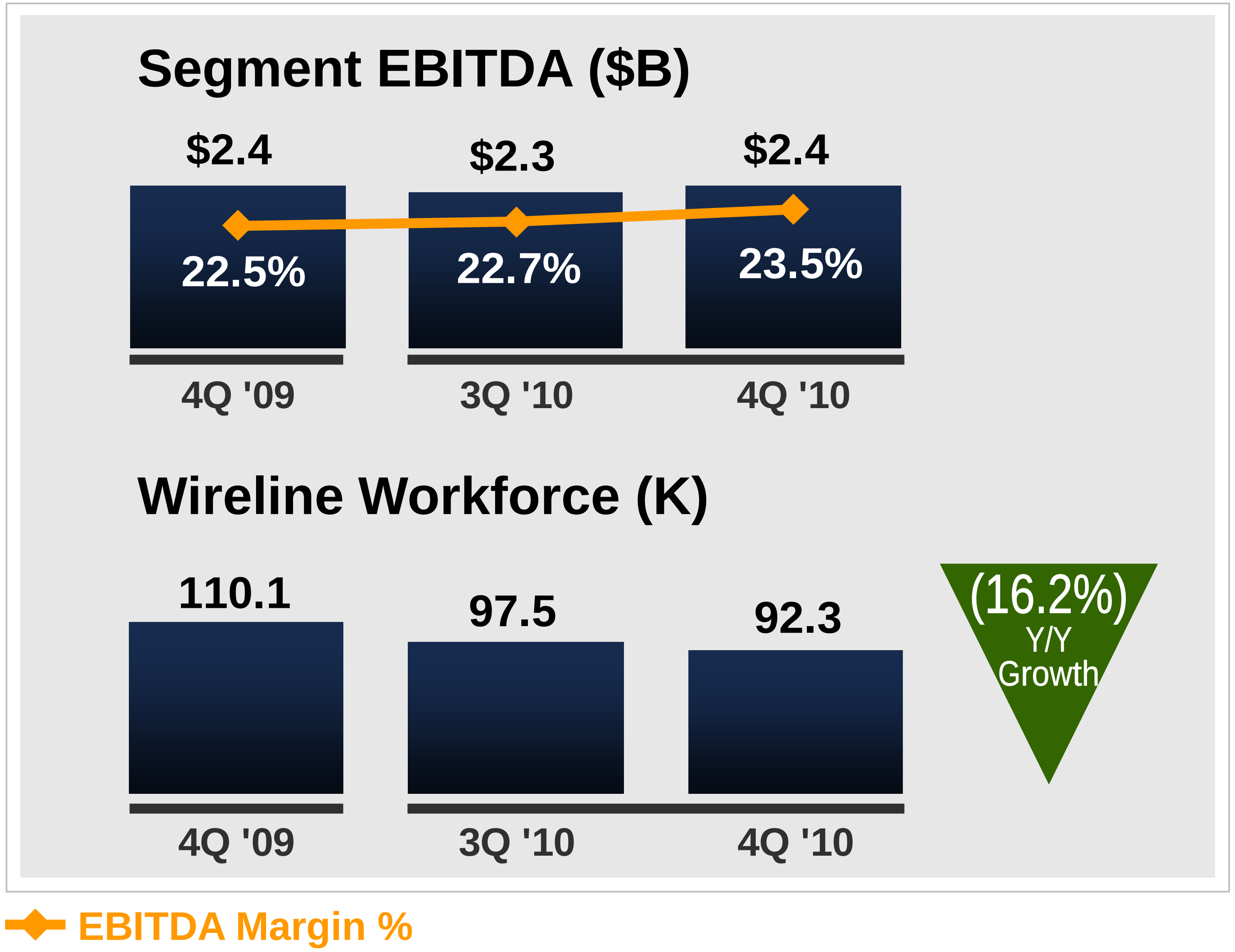
Wholesale Markets



- Route rationalization strategy drove revenue significantly lower
- Pricing changes initiated in 2Q
  - $179M Y/Y or (37%) decline in international voice revenue
  - Y/Y decline (5.5%) excluding international voice revenue
- Initiatives having desired effect
  - Absolute margin dollars up

Wholesale revenue decline stable without international pricing pressure

Profitability



- 3rd consecutive quarter of sequential EBITDA margin improvement
- Cost reduction initiatives on track
  - Total cash expenses down 3.9% or $321M Y/Y
  - Reduced force by 16K Y/Y
- Cost focus will continue

Improved cost structure driving margin expansion

Summary

- Solid earnings momentum
- Strong Wireless growth with record-high profitability
- Improving Wireline performance
- Disciplined capital spending
- Free cash flow improvement
- Strong balance sheet

Driving increased shareholder value

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