

1st Quarter 2010 Earnings Conference Call

April 22, 2010



“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.

1Q '10 Overview



- Strong cash flow growth
- Capex discipline
- Good customer growth in wireless & FiOS
- Early indications of economic recovery in business markets
- Revenue trends improving
- Cost reduction initiatives on track
- Access line & Alltel trust property divestitures moving forward

Executing on business plan

CONSOLIDATED

Earnings & Cash Flow



Earnings Summary

Earnings per share	\$0.14
Y/Y change	(75.9%)

- Reduced tax benefits related to retiree health care (\$0.34)
- Pension settlements charge (\$0.03)
- Access line spin-off costs (\$0.04)
- Alltel integration costs (\$0.01)
- Total non-operational impact (\$0.42)

Cash Summary

Cash from operations	\$7.1B
Y/Y change	+7.5%

- Capital expenditures \$3.5B
Y/Y change (6.8%)
- Free cash flow \$3.7B
Y/Y change +25.6%
- Net debt \$58.5B
Y/Y change (10.2%)

Strong cash flow growth

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Revenue



Revenue Summary

	4Q '09	1Q '10
Total revenue	\$27.1B	\$26.9B
Y/Y change	+0.2%*	+1.2%
Wireless revenue	\$15.7B	\$15.8B
Y/Y change	+3.1%*	+4.4%
Wireline revenue	\$11.5B	\$11.2B
Y/Y change	(3.9%)	(2.9%)

- Strong wireless data growth
- Improved wireless retail postpaid ARPU
- FiOS revenue growth continues
- Enterprise revenues helped by CPE and strategic networking sales

* Results shown are pro forma

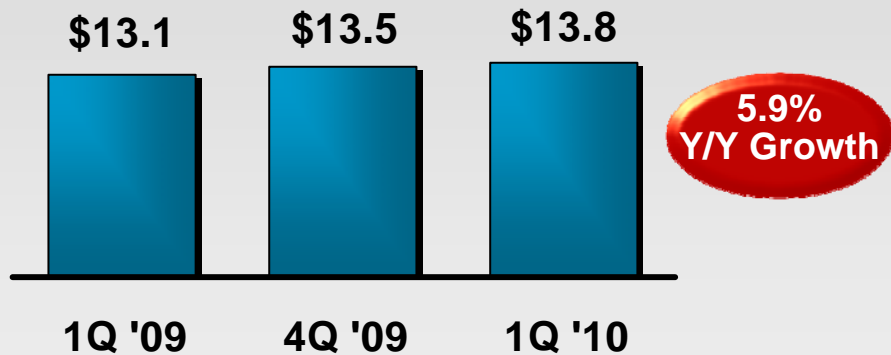
Improving revenue trends

WIRELESS

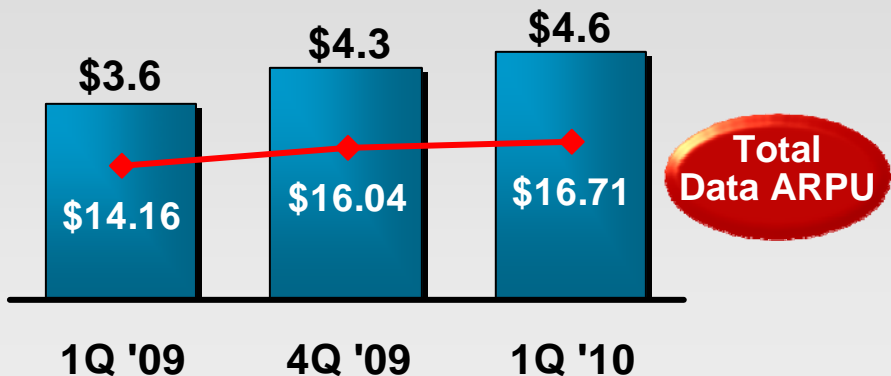
Revenue



Service Revenue (\$B)



Total Data Revenue (\$B)



- Data revenue up 26.4% Y/Y
- Data exceeds 33% of service revenue
- Web & email services revenue up 43.5%
- 30% of retail postpaid base have 3G devices
 - 17% have smartphones
 - 13% have multimedia devices

Data driving revenue growth

Connections



1Q '10	Base (M)	Net Adds (000)*
Retail postpaid	82.6	423
Retail prepaid	5.2	(139)
Retail	87.8	284
Reseller	5.0	1,264
Customers	92.8	1,548
Other connections	7.3	—
Total connections	100.1	1,548

- Over 100M total connections
 - 92.8M customers
 - 7.3M other connections
- Retail postpaid remains key focus
 - 89% of traditional customer base
 - 68% on family share plans
- Strong reseller growth
 - Low cost channel
 - No unlimited pricing
- Other connections
 - Includes telematics, M2M, vehicle tracking, e-readers, etc.
 - Growth opportunity

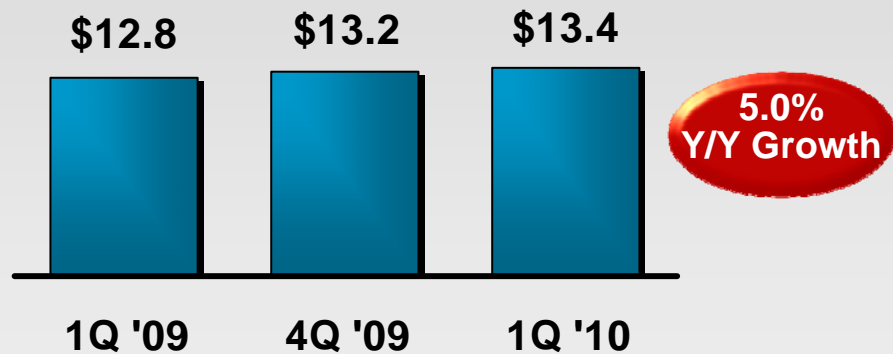
* Excludes acquisitions and adjustments

High quality customer base

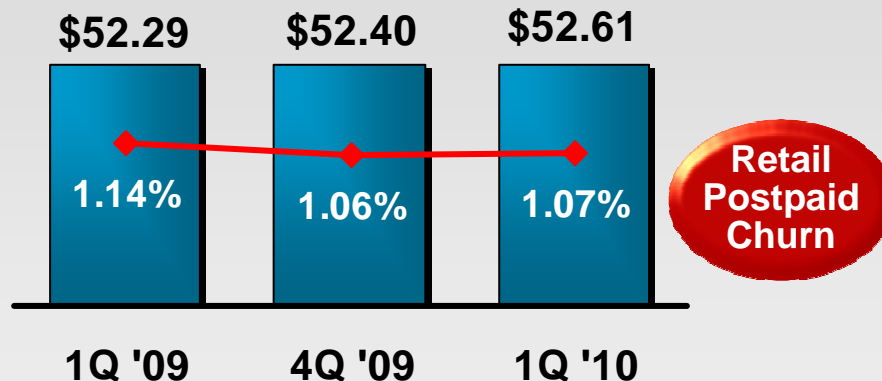
Retail Markets



Retail Service Revenue (\$B)



Retail Postpaid ARPU



- Retail postpaid ARPU growth of 0.6% Y/Y
- 8.6% of postpaid base upgraded in 1Q
 - Upgrades were up 14.8%
- 36% of direct device sales were smartphones
- Recent price simplification driving higher upward migrations
- Strong customer loyalty

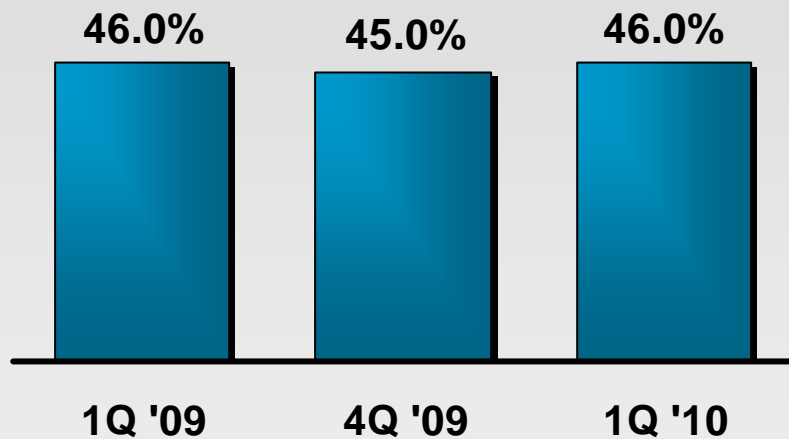
Strong focus on retail market

WIRELESS

Profitability



Service EBITDA Margin

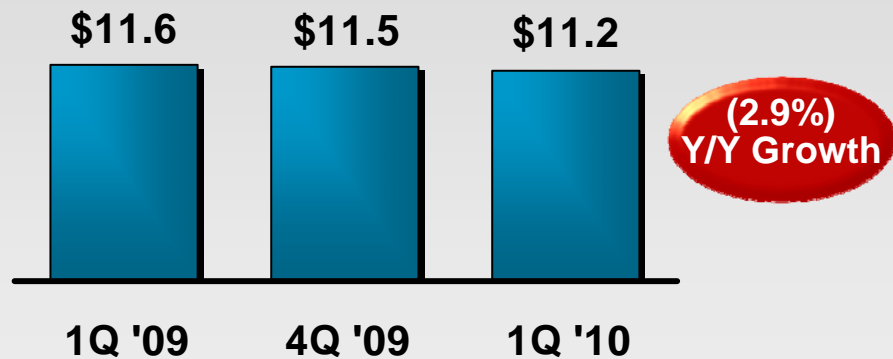


- **\$6.4B Segment EBITDA, up 5.7% Y/Y**
- **Higher subsidies & upgrades**
 - Higher equipment subsidies
 - Higher acquisition costs
 - Stimulating upgrades to high-end devices
- **Achieving synergy savings**
- **Balancing growth & profitability**

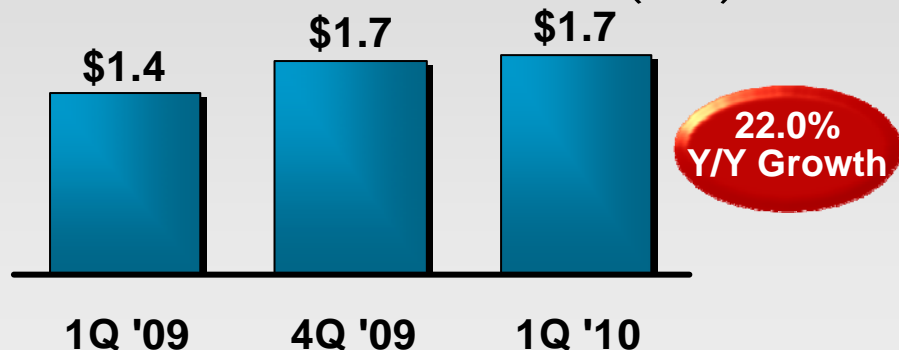
Sustaining strong profitability and cash generation

Revenue & Subscribers

Total Revenue (\$B)



Total Broadband & Video Revenue (\$B)



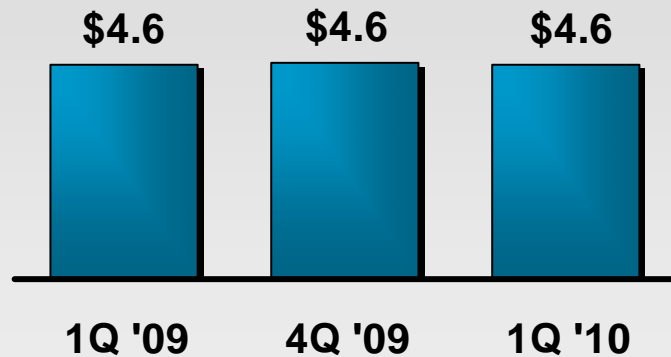
- **FiOS success continues**
 - FiOS revenues grew 40.1% Y/Y
 - \$142+ FiOS ARPU, up over 5%
- **Strategic enterprise services revenue up 4.2% Y/Y**
- **Continued cyclical & secular pressures**
 - Early signs of business recovery

Improving top line performance

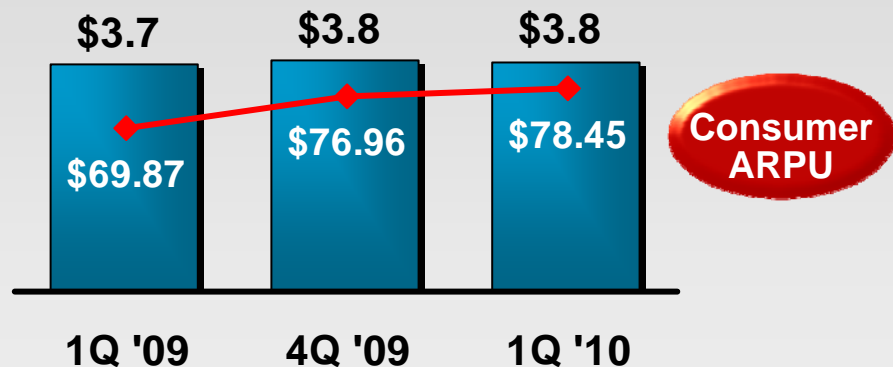
Mass Markets



Mass Markets Revenue (\$B)



Consumer Revenue (\$B)

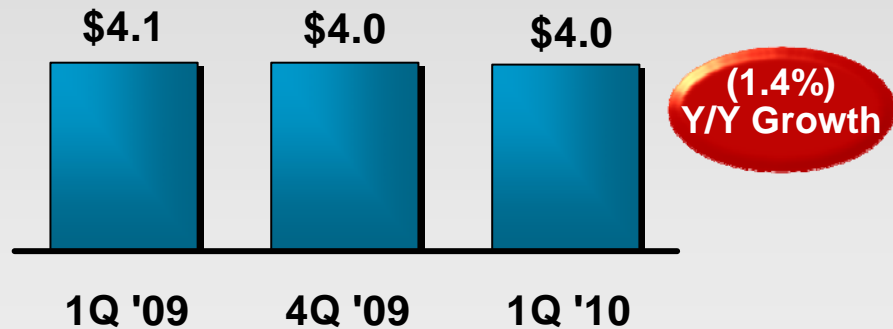


- **FiOS over 41% of consumer revenue**
- **FiOS TV subscribers**
 - 3.0M subscribers
 - 168K net adds
 - 25% penetration
- **FiOS Internet subscribers**
 - 3.6M subscribers
 - 185K net adds
 - 29% penetration

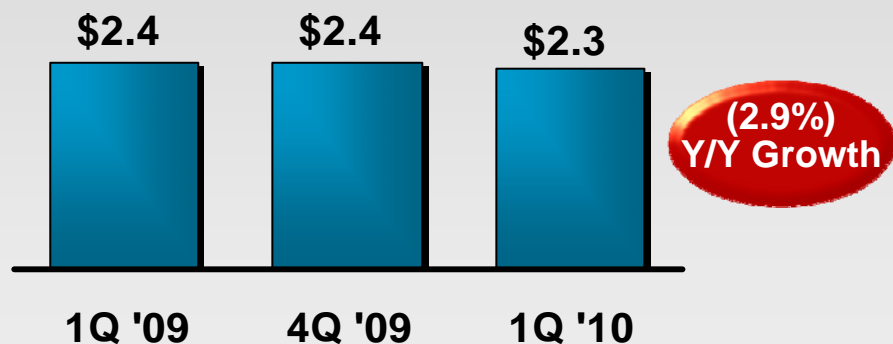
Broadband & video driving consumer growth

Enterprise & Wholesale Markets

Global Enterprise Revenue (\$B)



Global Wholesale Revenue (\$B)



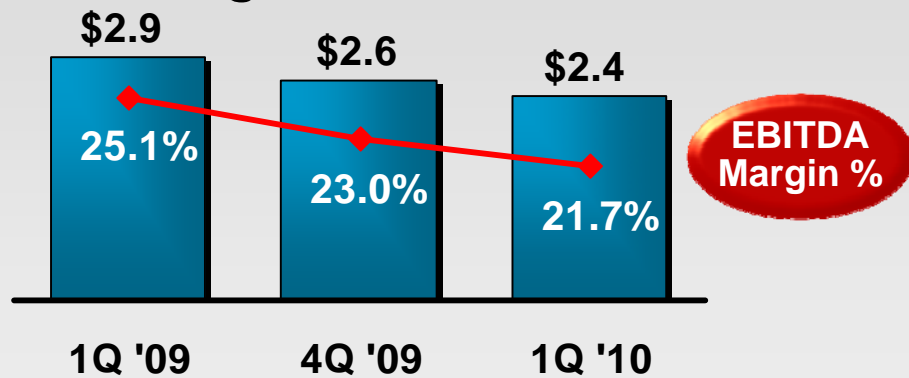
- Private IP activations up 65% Y/Y
- Improving Enterprise long distance volume trends
- CPE sales up 6.9% Y/Y
- Foreign exchange benefits similar to 4Q'09
- Consistent pricing trends

Signs of stability

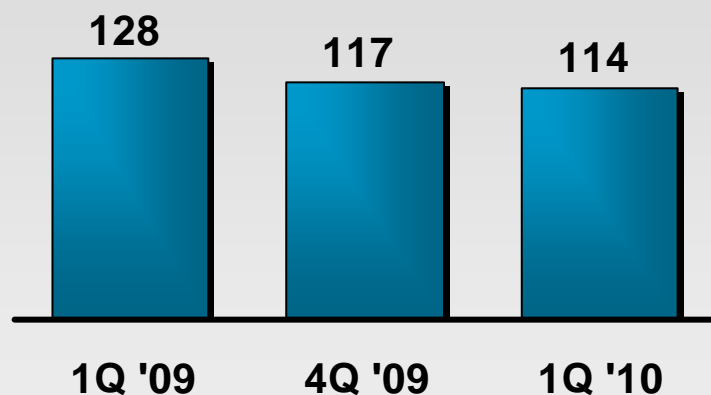
Profitability



Segment EBITDA (\$B)



Wireline Workforce (K)



- Continued cyclical & secular pressures
- Higher than expected overtime & repair expense driven by weather conditions
- Incremental pension & benefits expense
- Reduced force by 2,300 in 1Q
– Force down 10.3% Y/Y
- Cost reduction initiatives on track

Targeting margin improvement

2010 Focus Areas



Wireless

- Balance growth and profitability
- Grow market share
- Expand data penetration & revenue
- Commercialize LTE

Wireline

- Achieve cost reductions
- Drive FiOS penetration & ARPU
- Grow Strategic Services revenue
- Benefit from economic recovery

- Strong cash flow & disciplined capital program
- Improved credit metrics
- Strong dividend
- Complete strategic transactions

Focused on creating shareholder value