

2nd Quarter 2010 Earnings Conference Call

July 23, 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.

This presentation includes certain non-GAAP financial measures as defined under SEC rules. As required by those rules we have provided a reconciliation of those measures to the most directly comparable GAAP measures in materials on our website at www.verizon.com/investor.

2Q '10 Overview



- Exceptionally strong cash flow growth
- Solid Wireless results
- Wireline margin improvement driven by cost reductions
- Business trends show signs of stabilization
- Strategic transactions completed – shareholders received \$1.85 per share value from access line spin

Solid quarter

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Earnings Summary



Earnings Per Share (\$0.07)

Non-operational/One-time Items

• Workforce reduction	(\$0.52)
• Access line spin-off costs	(\$0.04)
• Alltel integration costs & divestiture tax impact	(\$0.06)
• Deferred revenue adjustment	(\$0.03)
Total impact	(\$0.65)

Divested Properties

Alltel Trust Properties

- 26 markets on April 26
- 79 markets on June 22
- Over 1,400 employees transferred

Access Line Properties

- 4M access lines on July 1
- Over 9,200 employees transferred

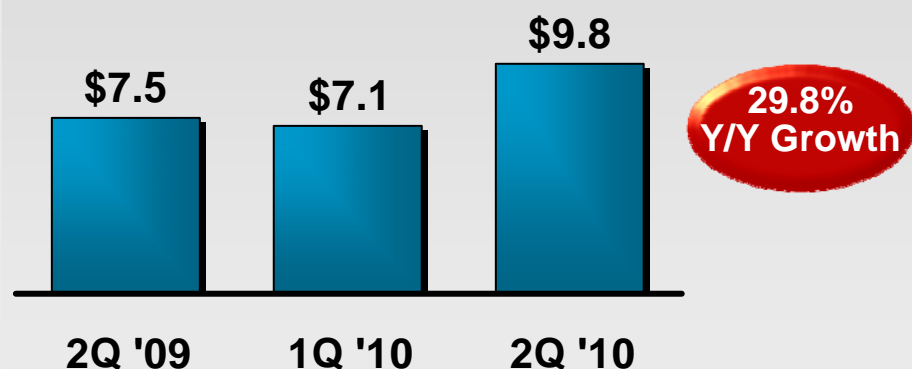
Strategic transformation complete

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Cash Flow Summary



Cash from Operations (\$B)



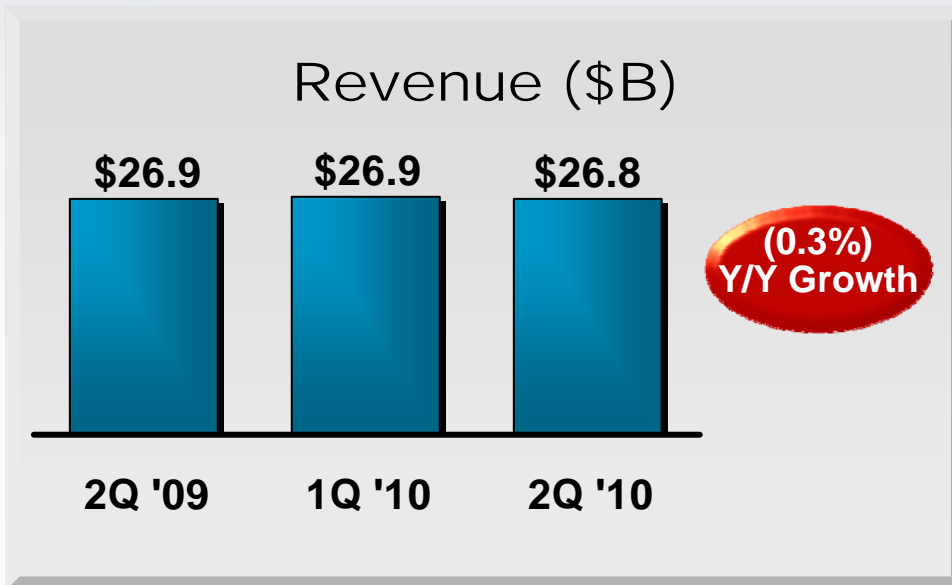
- **Disciplined capital program**
 - \$4.2B in capital expenditures, down 3.6% Y/Y
- **Free cash flow up 76.7% Y/Y**
- **Net debt reduced by \$7.5B YTD**
 - Net debt/EBITDA 1.5x*
 - Strong balance sheet

* Adjusted for non-operational/one-time items

Strong cash flow growth

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Revenue



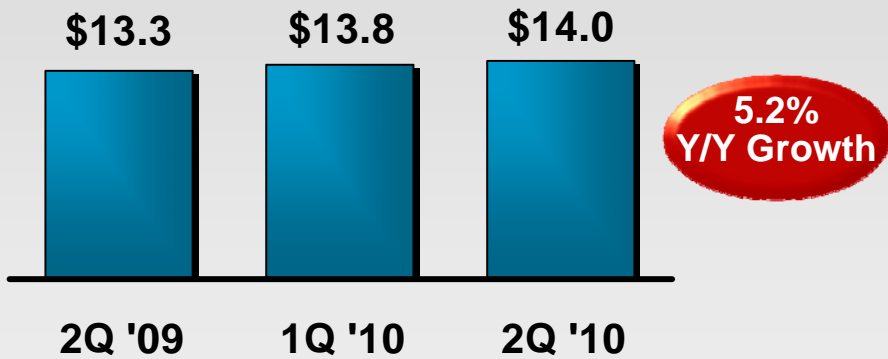
- **0.7% consolidated revenue growth before deferred revenue adjustment**
- **Growth across all strategic areas Y/Y**
 - **Wireless service** +5.2%
 - **Wireless data** +23.8%
 - **FiOS** +33.2%
 - **Strategic Enterprise** +6.2%

Competing well in all markets

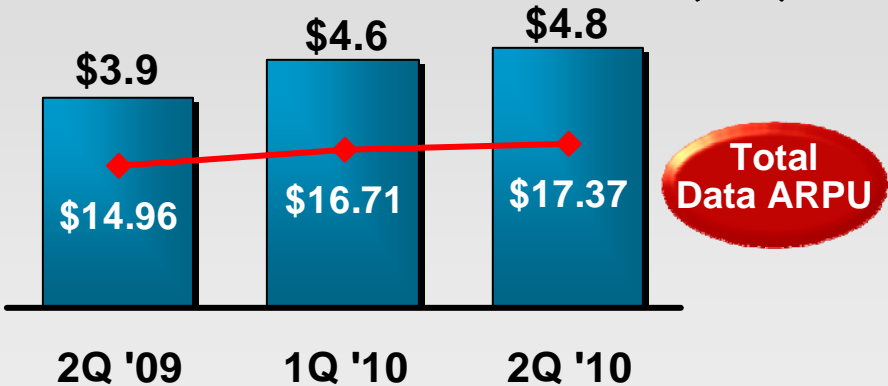
Revenue



Total Service Revenue (\$B)



Total Data Revenue (\$B)



- 6.2% Y/Y service revenue growth excluding Alltel divestiture properties
- Data revenue up \$931M or 23.8% Y/Y
- 35% of retail postpaid base have 3G devices
- Substantial data growth opportunities

Data driving revenue growth

WIRELESS

Connections



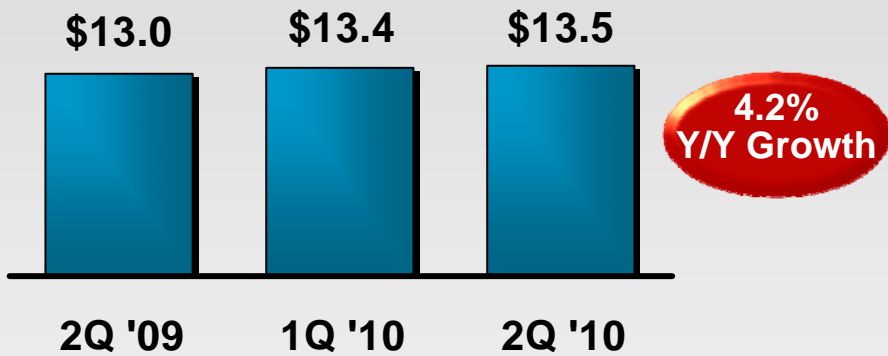
(000)	1Q '10	Net Adds	Divestitures & Other	2Q '10
Retail postpaid	82,623	665	(1,715)	81,573
Retail prepaid	5,188	(211)	(374)	4,603
Retail	87,811	454	(2,089)	86,176
Reseller	4,990	896	1	5,887
<i>Customers</i>	<i>92,801</i>	<i>1,350</i>	<i>(2,088)</i>	<i>92,063</i>
Other connections	7,315	264	95	7,674
<i>Total connections</i>	<i>100,116</i>	<i>1,614</i>	<i>(1,993)</i>	<i>99,737</i>

Retail postpaid 89% of total customers

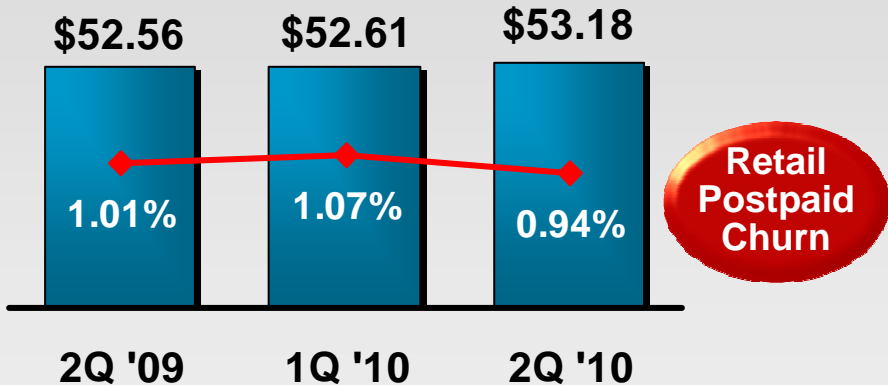
Retail Markets



Retail Service Revenue (\$B)



Retail Postpaid ARPU



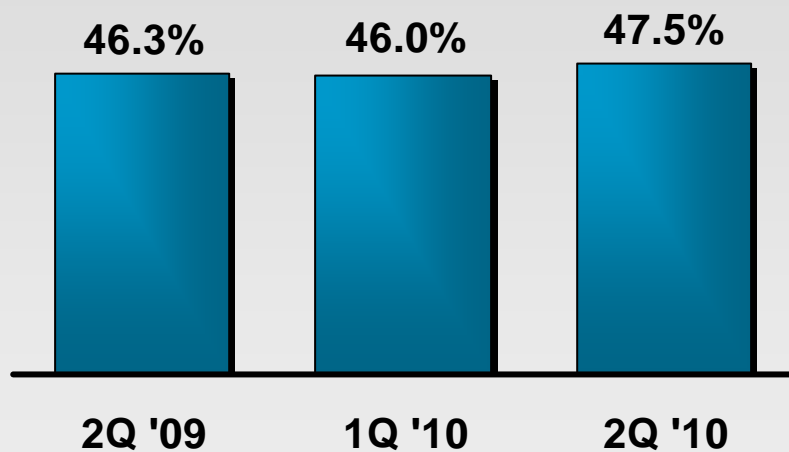
- Retail postpaid ARPU growth of 1.2% Y/Y
- 9.0% of postpaid base upgraded in 2Q
 - Upgrades were up 7.2% Y/Y
- 40% of direct device sales were smartphones
- More focus on customer retention

Strong focus on retail market

Profitability



Service EBITDA Margin



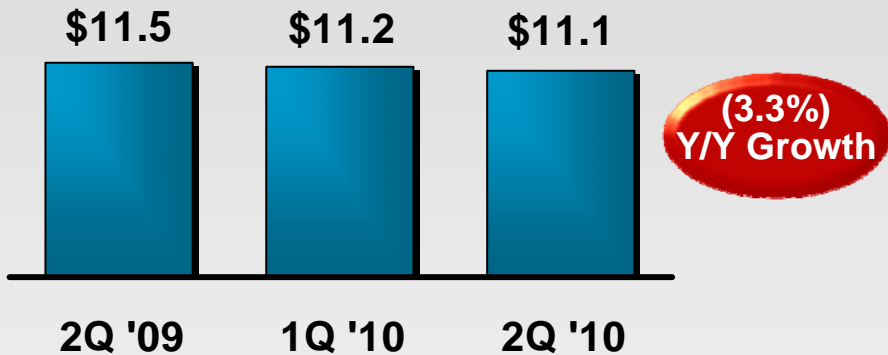
- **\$6.7B EBITDA, up 7.8% Y/Y**
- **Margin expansion driven by:**
 - Strong execution
 - Growing data revenues
 - Churn improvement
 - Alltel synergy savings
- **Sustaining strong profitability and cash generation**

Strong execution & solid results

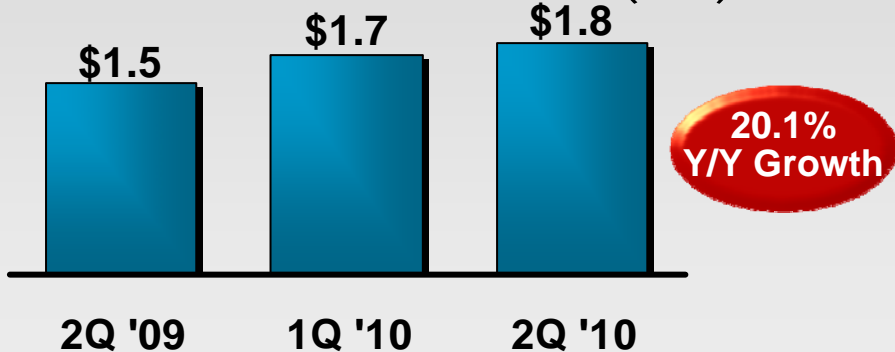
Revenue



Total Revenue (\$B)



Total Broadband & Video Revenue (\$B)



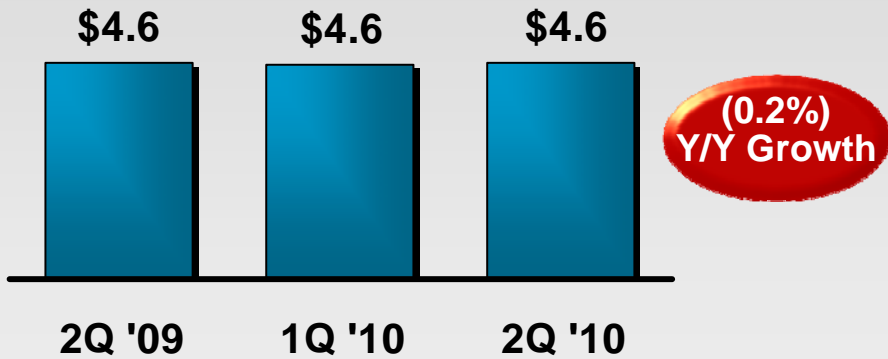
- **FiOS success continues**
 - FiOS revenues grew 33.2% Y/Y
 - \$145+ FiOS ARPU, up over 7% Y/Y
- **Global Enterprise improves**
- **Global Wholesale impacted by secular pressures and pricing changes**

Continued cyclical & secular pressures

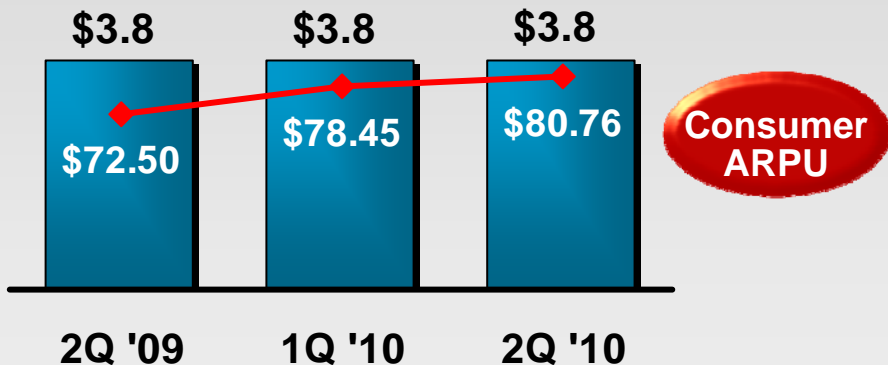
Mass Markets



Mass Markets Revenue (\$B)



Consumer Revenue (\$B)



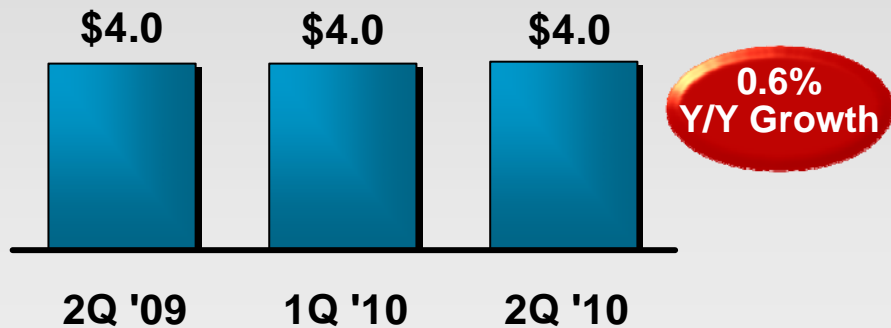
- **FiOS over 43% of consumer revenue**
- **FiOS TV subscribers**
 - 3.2M subscribers
 - 174K net adds
 - 26% penetration
- **FiOS Internet subscribers**
 - 3.8M subscribers
 - 196K net adds
 - 30% penetration

Broadband & video driving consumer growth

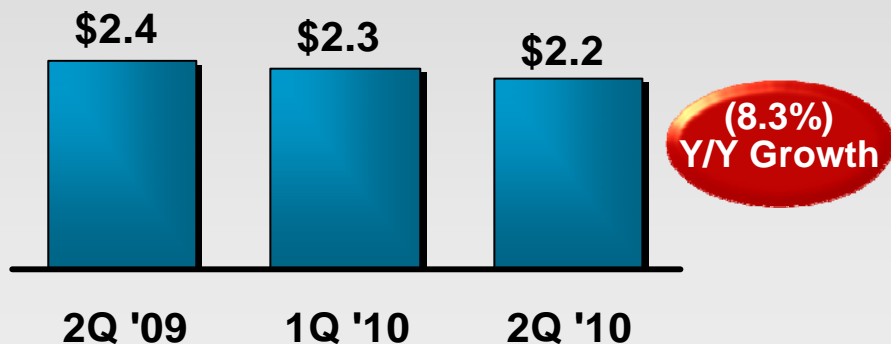
Enterprise & Wholesale Markets



Global Enterprise Revenue (\$B)



Global Wholesale Revenue (\$B)



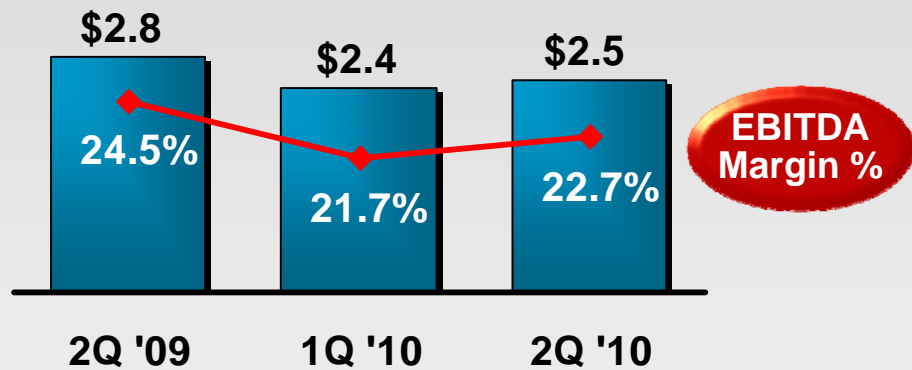
- Positive sequential and Y/Y growth in Enterprise
- Strong CPE sales in quarter
- Non-CPE sales stabilized in quarter
- Wholesale revenues impacted by continued secular pressures and international pricing changes

Enterprise strategic services growth of 6.2% Y/Y

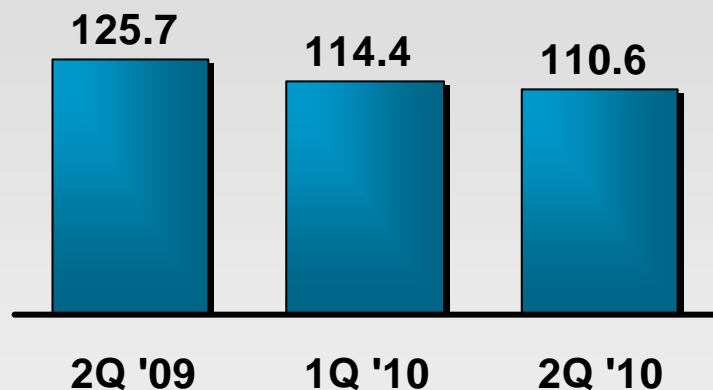
Profitability



Segment EBITDA (\$B)



Wireline Workforce (K)



- Cost reduction initiatives gaining momentum
- EBITDA margin improves 100 bps sequentially
- Force reductions on plan
 - 3,800 off-payroll in 2Q
 - 11K employees volunteer for enhanced incentive offer
- Disciplined capital spending

Improved performance driven by cost reductions

Summary



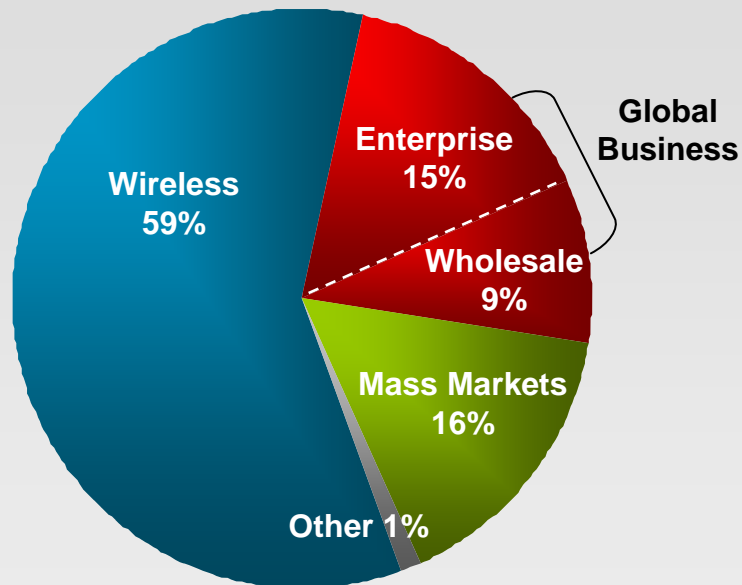
- **Exceptionally strong cash flow growth**
- **Solid Wireless results**
- **Wireline margin improvement driven by cost reductions**
- **Business trends show signs of stabilization**
- **Successful completion of strategic transactions**

Solid quarter

Verizon Profile



Revenue Profile



- Improved revenue profile
- Outstanding set of high value assets
- Increased exposure to high growth areas
- Positioned to be stronger competitor

Platforms in place for next generation of growth