

1ST QUARTER 2012 EARNINGS RESULTS

Fran Shammo
Chief Financial Officer

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“SAFE HARBOR” STATEMENT

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Throughout this presentation, financial information shown excludes, where noted, 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.

CONSOLIDATED
1Q '12 OVERVIEW



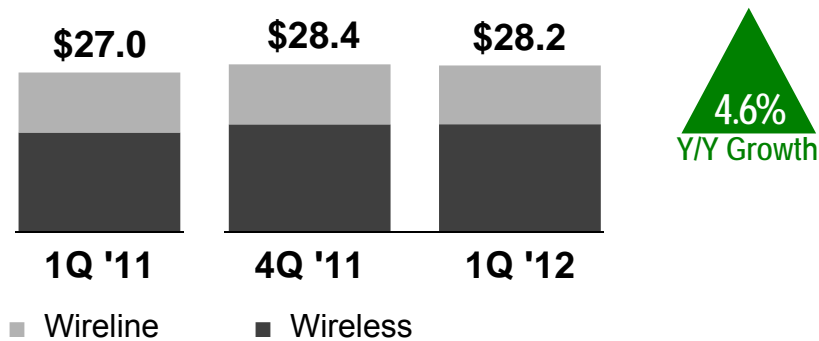
- Solid double-digit earnings growth
- Accelerating wireless service revenue growth and retail postpaid ARPU accretion
- Industry-leading wireless EBITDA service margin
- Wireline consumer revenue and ARPU growth
- Enterprise strategic services growth continues; Terremark positioned as leader in managed hosting, cloud and security

Solid start for 2012

CONSOLIDATED 1Q '12 FINANCIAL SUMMARY



Revenue (\$B)



Earnings Per Share*



- Consolidated revenue of \$28.2B, up 4.6% Y/Y
- 1Q '12 EPS of \$0.59 up 15.7% Y/Y
- Revenue growth across all strategic areas Y/Y
 - Wireless service +7.7%
 - Wireless data +21.1%
 - FiOS +17.9%
 - Strategic services +11.6%

* 4Q '11 results are adjusted for non-operational items.

Strong earnings growth

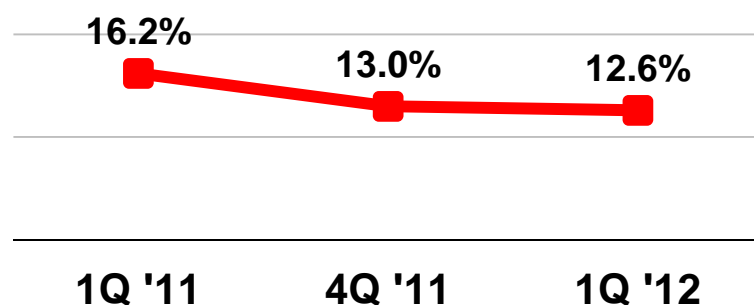
CONSOLIDATED CASH FLOW



Cash Flow Summary (\$B)

	1Q '11	1Q '12
Cash from operations	\$5.0	\$6.0
Capital expenditures	\$4.4	\$3.6
Free cash flow	\$0.7	\$2.4

Capital Expenditures/Revenue



Note: Amounts may not add due to rounding.

- 1Q '12 cash flow of \$6.0B, up 18.3% Y/Y
- Disciplined capital spending across entire business
 - 1Q '12 capital expenditures down 18.3% Y/Y
- 1Q '12 free cash flow up \$1.7B Y/Y

Continued capital efficiency improvement

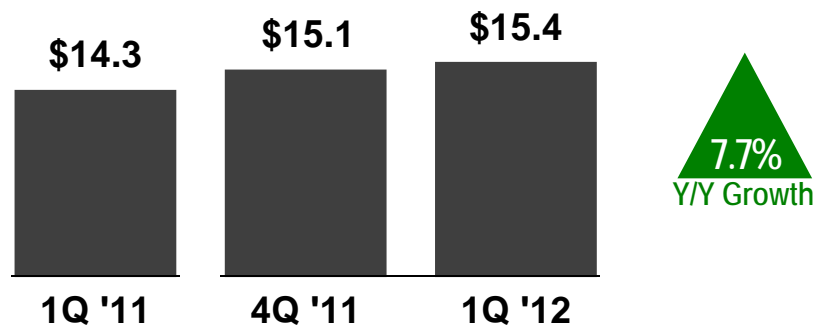
WIRELESS REVENUE



Retail Service Revenue (\$B)



Total Service Revenue (\$B)



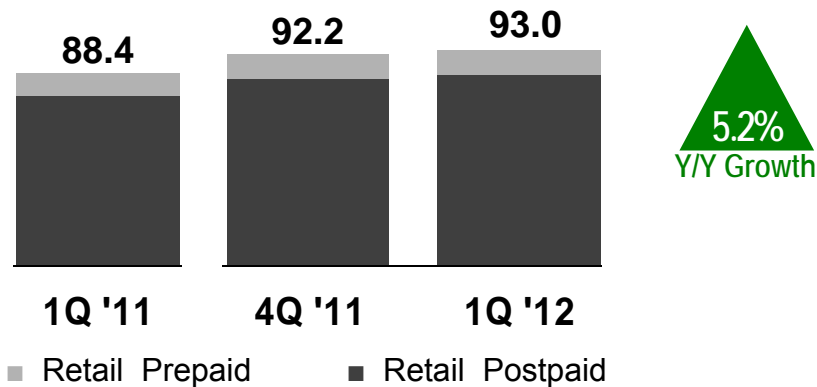
- Total revenue growth of 8.2% Y/Y
 - Retail postpaid revenue up 8.7% Y/Y
 - Retail prepaid revenue up 17.3% Y/Y
- Total data revenue of \$6.6B, up 21.1% Y/Y
 - Web and e-mail services revenue up 35.8% Y/Y
 - Messaging revenue up 4.1% Y/Y

Accelerating service revenue growth

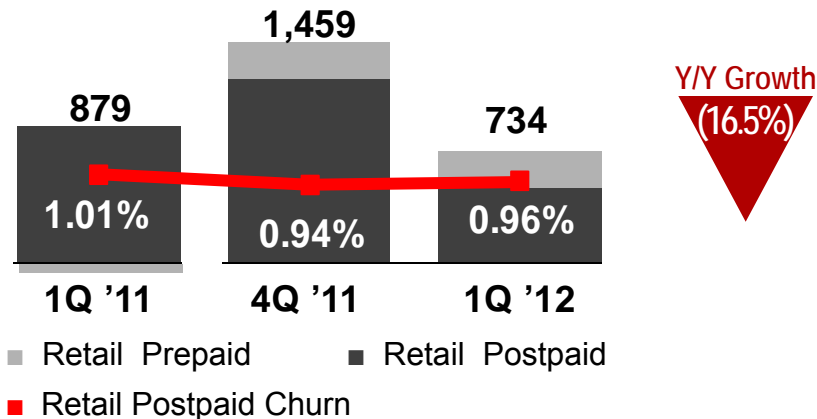
WIRELESS CONNECTIONS / NET ADDS / CHURN



Retail Connections (M)



Retail Net Adds* (000)



- Strong growth in retail connections, up 5.2% Y/Y
- 501K retail postpaid net adds*
- 233K retail prepaid net adds*
- 8% of retail postpaid base upgraded in 1Q '12
- Internet devices are 8% of postpaid base
- 62% of tablet customers are postpaid

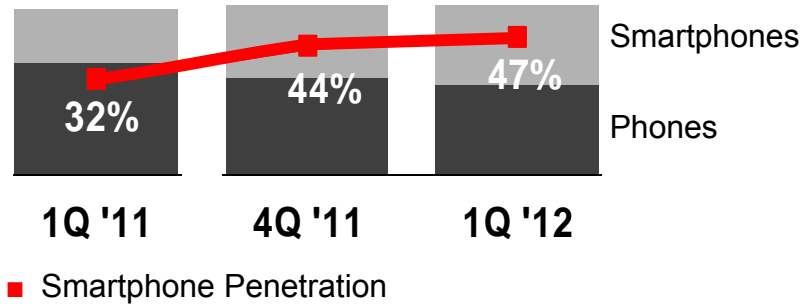
* Excludes acquisitions and adjustments

Sustained industry-leading customer loyalty

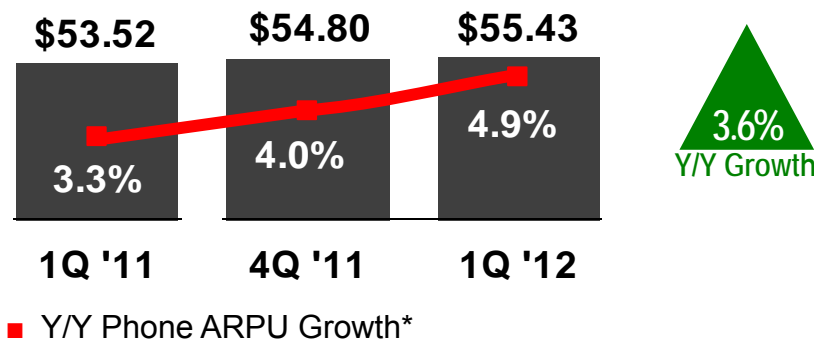
WIRELESS PHONES / SMARTPHONES



Retail Postpaid Phone Connections (M)



Retail Postpaid ARPU



- Smartphone penetration of 47%, up 1,500 bps Y/Y
- 6.3M smartphones sold in 1Q
 - 72% of postpaid phone sales were smartphones
 - 42% of postpaid smartphone upgrades were new to category
- Retail postpaid data ARPU of \$23.80, up 16.0% Y/Y

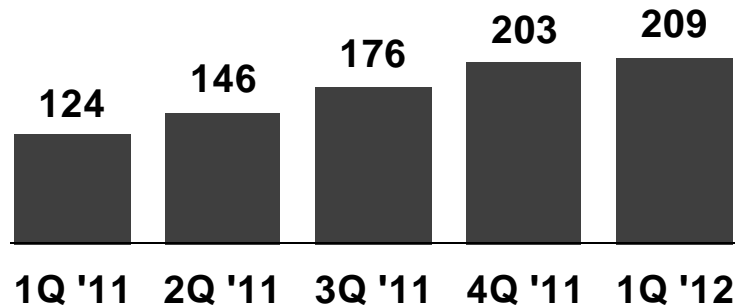
Highest retail postpaid ARPU accretion in 3 years

WIRELESS

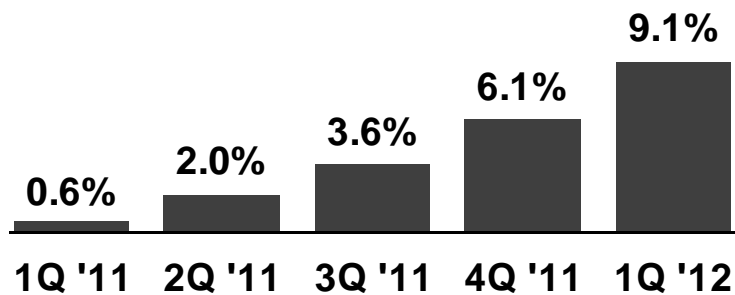
4G LTE NETWORK DEPLOYMENT / COVERAGE



4G LTE POPs (M)



4G % of Customer Base



- 2.9M 4G LTE device sales in 1Q '12
- Verizon Wireless 4G LTE network:
 - available in 230 markets
 - covers more than two-thirds of the U.S. population
 - Popular Science named “Verizon Wireless 4G LTE: The Fastest Network Yet”

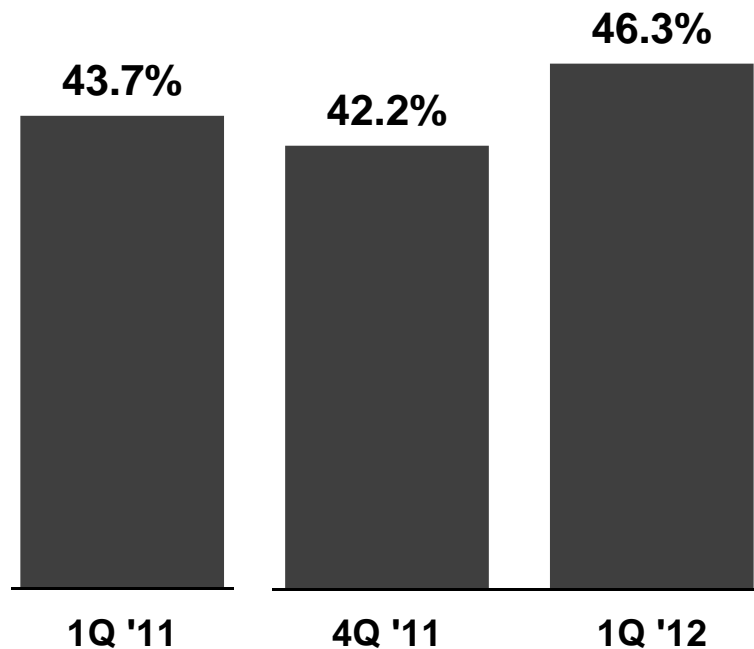


Solid progress in 4G LTE adoption

WIRELESS PROFITABILITY



Service EBITDA Margin



- Continue to balance growth and profitability
- Accelerating service revenue and phone ARPU
- Increased smartphone penetration
- Managing subsidy and commission costs
- On track to achieve \$2B of expense reduction in 2012

Solid execution drives wireless profitability

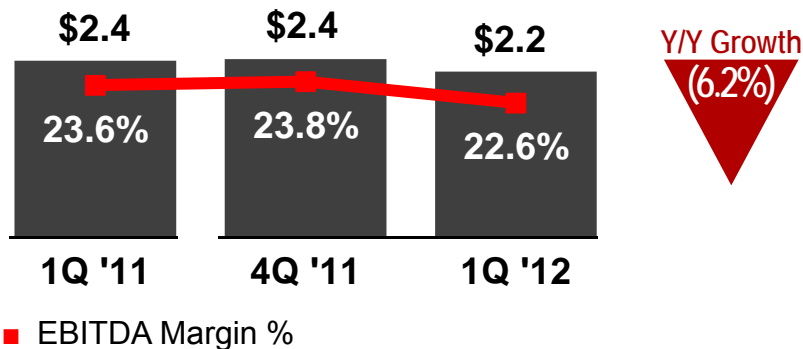
WIRESLINE REVENUE & PROFITABILITY



Total Revenue (\$B)



Segment EBITDA (\$B)



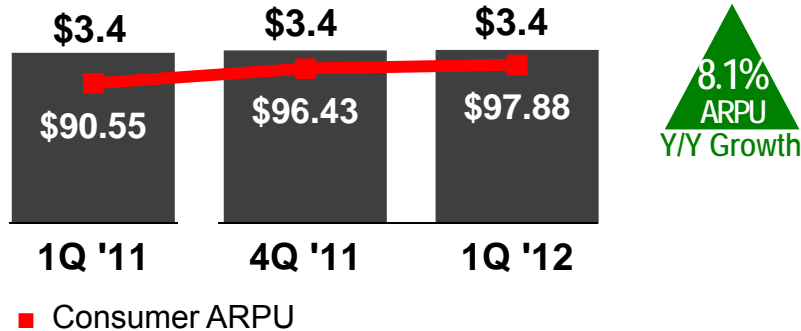
- Strategic revenue growth continues
 - Consumer revenue up 1.7% Y/Y
 - FiOS revenue grew 17.9% Y/Y
 - Global Enterprise up 0.9% Y/Y
 - Enterprise strategic services revenue up 11.6% Y/Y
- EBITDA margin primarily impacted by 1Q resets

Remain confident in long term margin improvement

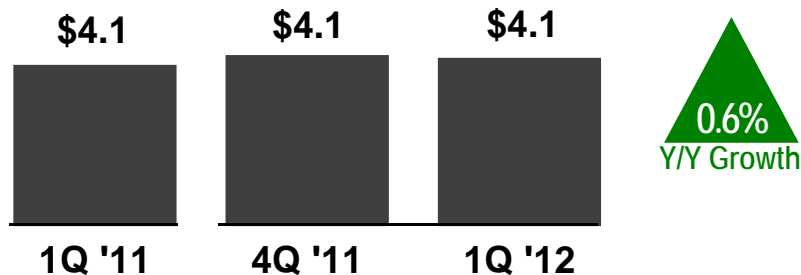
WIRELINE MASS MARKETS



Consumer Revenue (\$B)



Mass Markets Revenue (\$B)



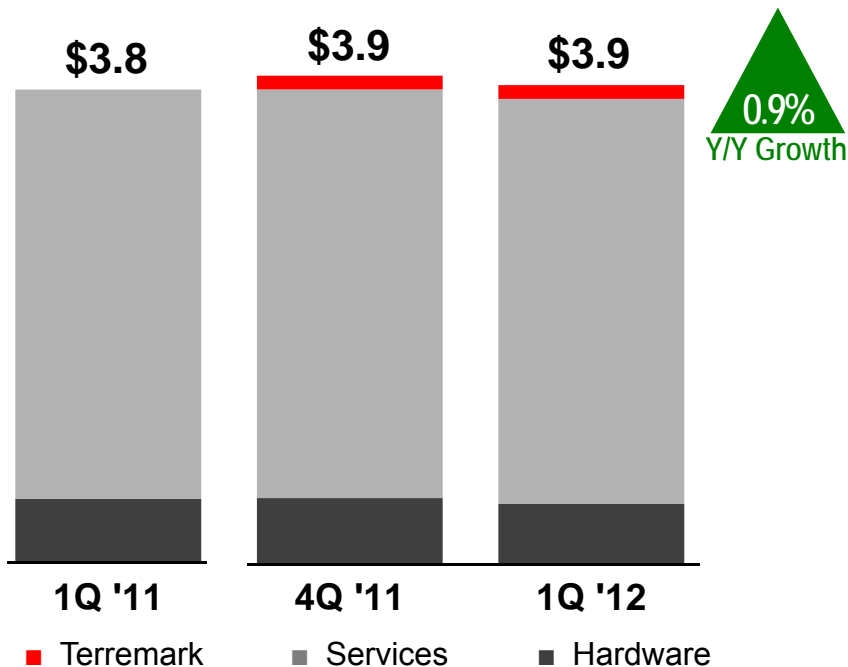
- FiOS now 63% of consumer revenue
 - 19% Y/Y growth in triple play customers
 - ARPU over \$148
- FiOS Internet subscribers
 - 5.0M subscribers, 193K net adds
 - 36.4% penetration; up 90bps
 - 104K broadband net adds
- FiOS video subscribers
 - 4.4M subscribers, 180K net adds
 - 32.3% penetration; up 80bps
- Consumer ARPU now over \$97
 - 8.1% Y/Y growth
 - Line loss improving Y/Y

Continued strong FiOS growth and lower line loss

WIRELINE GLOBAL ENTERPRISE



Global Enterprise Revenue (\$B)



- Strategic services revenue growth of 11.6%
 - 51% of Global Enterprise revenue
- De-emphasizing standalone CPE sales
- Terremark and CloudSwitch assets provide strong growth platform

Global Enterprise outlook remains solid

CONSOLIDATED
1Q '12 SUMMARY



- Continued revenue growth across all strategic areas
- Solid earnings momentum and free cash flow generation
- Disciplined capital spending across entire business
- Strategic investments set stage for continued growth

Accelerate momentum during 2012



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