

2nd QUARTER 2013 EARNINGS RESULTS

Fran Shammo
Chief Financial Officer

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“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: adverse conditions in the U.S. and international economies; competition in our markets; material changes in available technology or technology substitution; disruption of our key suppliers' provisioning of products or services; changes in the regulatory environments in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or significant litigation and any resulting financial impact not covered by insurance; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of financing; 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 affect earnings; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; and the inability to implement our business strategies.

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 2Q '13 OVERVIEW



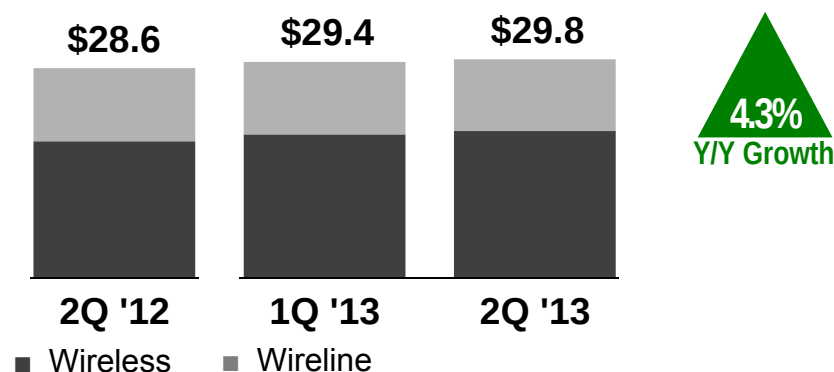
- Double-digit growth in operating income and earnings per share
- Wireless momentum drives service revenue and profitability
- Solid FiOS revenue and customer growth
- Growth in Enterprise strategic services
- Strong cash flow growth and capital efficiency gains

Consistent, sustained performance

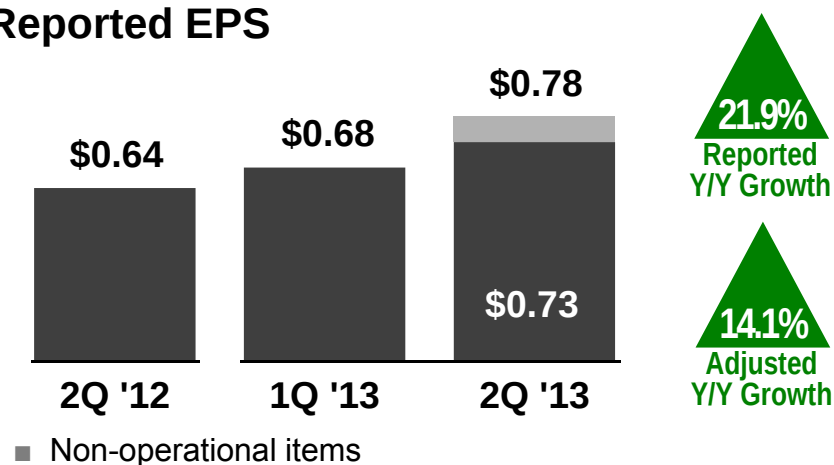
CONSOLIDATED 2Q '13 FINANCIAL SUMMARY



Total Revenue (\$B)



Reported EPS



- 83% of revenues are in strategic areas
- Continued revenue growth across all strategic areas Y/Y
- Strong cost management controls
- Adjusted EBITDA margin expansion Y/Y to 35.1%
- Adjusted EPS of \$0.73, up 14.1% Y/Y; reported EPS of \$0.78

Strategic investments drive strong performance

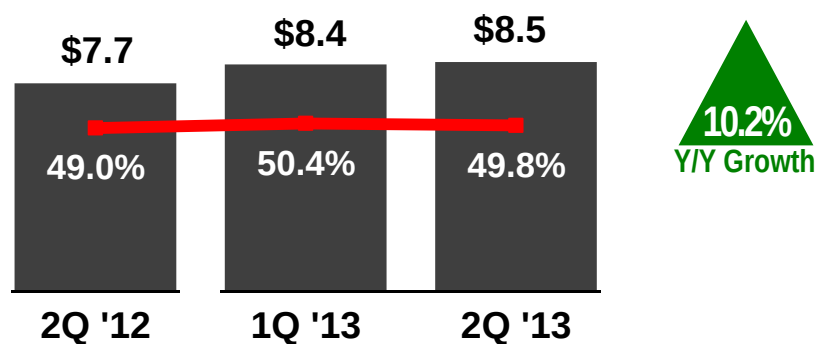
WIRELESS REVENUE & PROFITABILITY



Service Revenue (\$B)



Segment EBITDA (\$B)



■ EBITDA Service Margin %

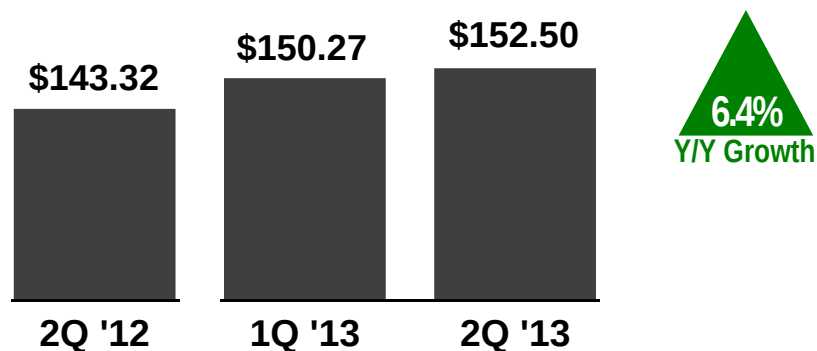
- Sustained strong service revenue growth in 2Q'13
- 3rd consecutive quarter of Y/Y 8%+ service revenue growth
- Total revenue growth of 7.5% Y/Y
- EBITDA service margin of 49.8% expanded 80 bps Y/Y

Solid execution drives growth in revenue and profitability

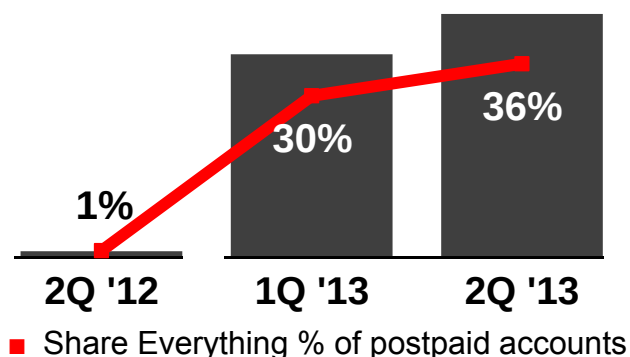
WIRELESS ARPA



Retail Postpaid ARPA



Share Everything Accounts



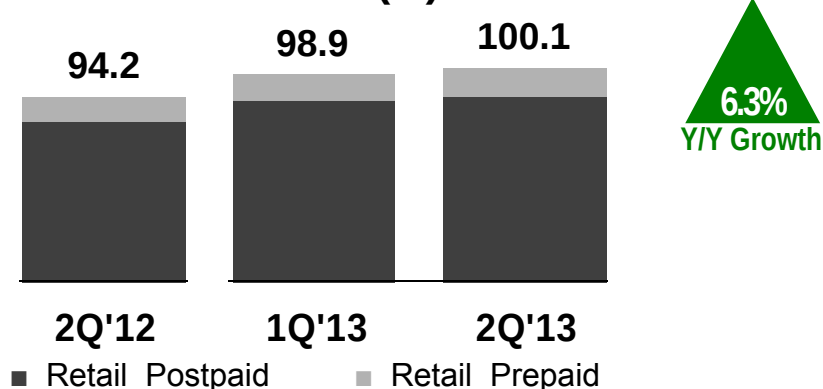
- Retail postpaid ARPA of \$152.50, up 6.4% Y/Y
 - 36% of postpaid accounts on Share Everything Plans
 - Smartphone penetration of 64%, up from 50% a year ago
- 35.0M retail postpaid accounts
 - 2.70 connections per account

Continued migration to Share Everything Plans

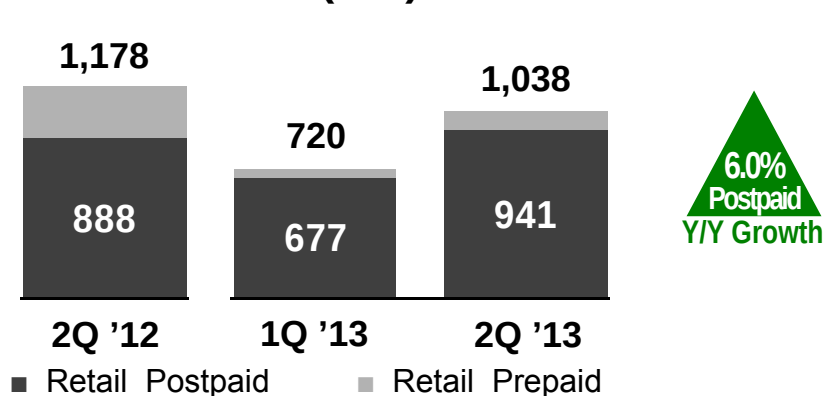
WIRELESS CONNECTIONS / NET ADDS / CHURN



Retail Connections (M)



Retail Net Adds* (000)



- 941K retail postpaid net adds in 2Q '13*
- 7.0% of retail postpaid base upgraded in 2Q '13
- 76% of tablet connections are postpaid; all tablet net adds are 4G LTE
- Retail postpaid churn of 0.93% in 2Q '13

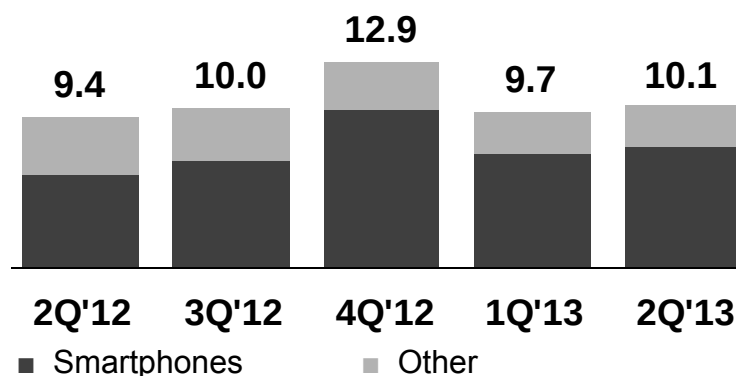
* Excludes acquisitions and adjustments

High-quality postpaid base

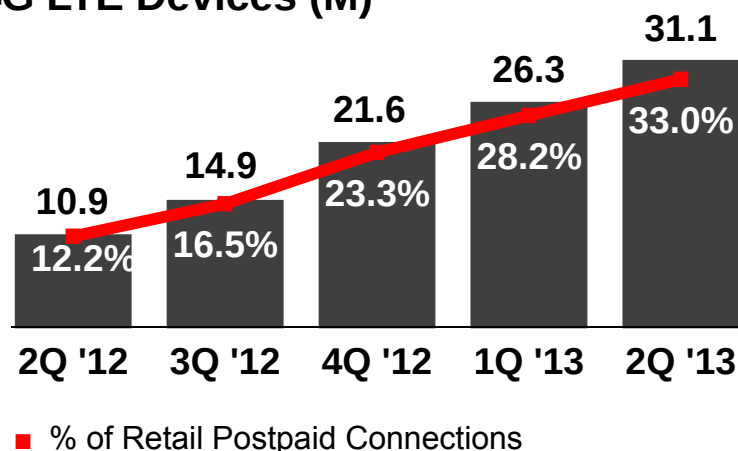
WIRELESS DEVICES / 4G LTE COVERAGE



Retail Postpaid Device Activations (M)



4G LTE Devices (M)



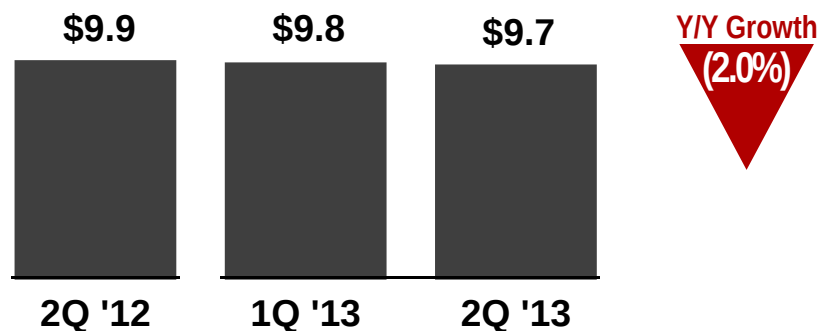
- 88% of device activations were phones
 - 7.5M smartphones activated in 2Q '13
 - About 27% of smartphone activations new to Verizon
- 6.4M 4G LTE device activations in 2Q '13
- Verizon Wireless 4G LTE network:
 - 59% of total data traffic currently on 4G LTE network
 - Coverage build completed; now available in 500 markets
- Industry leading in 4G LTE adoption

Completed 4G LTE coverage build

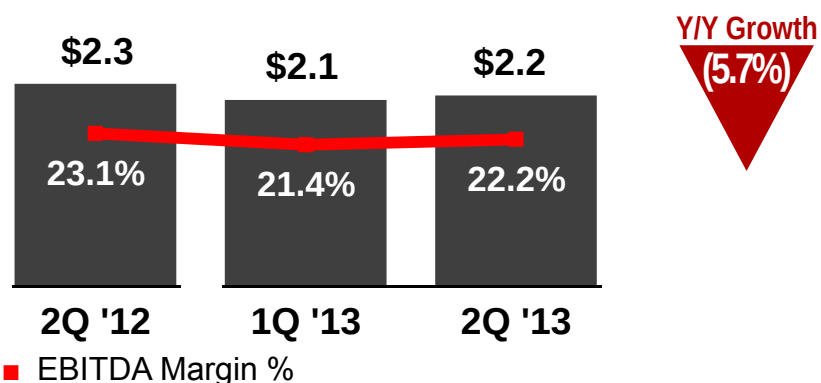


WIREDLINE REVENUE & PROFITABILITY

Total Revenue (\$B)



Segment EBITDA (\$B)



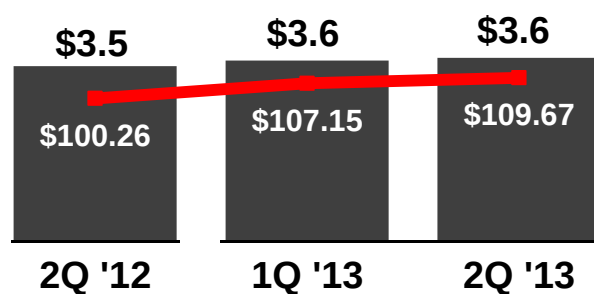
- Strategic revenue growth continues in 2Q '13
- FiOS revenue grew 14.7% Y/Y
- Enterprise strategic services revenue up 4.8% Y/Y
- Declines in legacy transport & CPE continue

Focus on improving long-term profitability

WIREDLINE MASS MARKETS



Consumer Revenue (\$B)

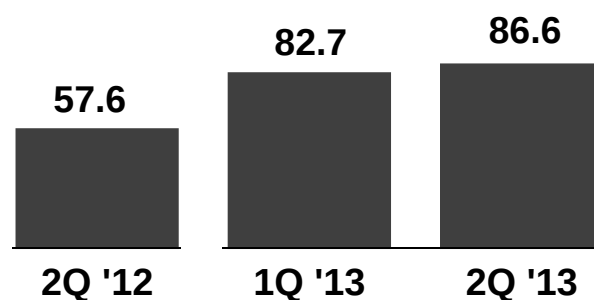


■ Consumer ARPU

9.4%
ARPU
Y/Y Growth

- 4.7% consumer revenue growth Y/Y
- FiOS now 71% of consumer revenue
 - 11% Y/Y growth in triple play customers
 - ARPU over \$150
- FiOS Internet subscribers
 - 5.8M subscribers, 161K net adds
 - 39% penetration
- FiOS Video subscribers
 - 5.0M subscribers, 140K net adds
 - 35% penetration

Copper Migrations (K)

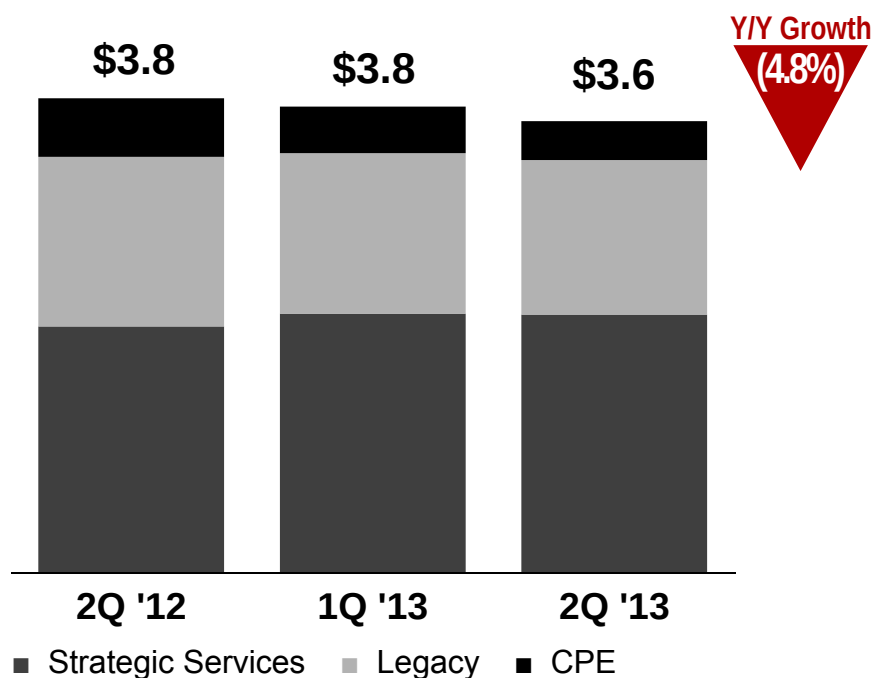


FiOS driving revenue & ARPU growth

WIRELINE GLOBAL ENTERPRISE



Global Enterprise Revenue (\$B)



- Revenue profile improving
 - Strategic services now 57% of Global Enterprise revenue
 - Strategic services revenue growth of 4.8% Y/Y
- CPE revenue down 34.3% Y/Y

Global Enterprise transformation continues

CONSOLIDATED CASH FLOW



Cash Flow Summary (\$B)

	1H '12	1H '13
Cash from operations	\$15.3	\$17.1
Capital expenditures	\$7.4	\$7.6
Free cash flow	\$7.8	\$9.5
Total Debt	\$52.4	\$49.8
Net Debt to Adjusted EBITDA	1.2x	1.2x

- YTD cash flow of \$17.1B, up 12.3% Y/Y
- Capital efficiency improved Y/Y
– YTD Capex/Revenue of 12.9%
- YTD free cash flow up \$1.7B or 21.6% Y/Y

Note: Amounts may not add due to rounding.

Solid cash flow growth and capital efficiency profile

CONSOLIDATED SUMMARY



- Grow strategic areas
- Transform service delivery and cost structure
- Sustain earnings and cash flow profile
- Invest for future growth

Sustain momentum

