



3rd QUARTER 2013 EARNINGS RESULTS

Fran Shammo
Chief Financial Officer

October 17, 2013



“Safe Harbor” Statement and Legends

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This communication is deemed an advertisement for the purposes of the U.K. prospectus rules and is not a prospectus or a prospectus equivalent document. Any decision to subscribe for, purchase, otherwise acquire, sell or otherwise dispose of any Verizon Communications Inc. shares must be made only on the basis of the information contained in and incorporated by reference into the U.K. prospectus expected to be published by Verizon in connection with the proposed transaction with Vodafone Group Plc. Copies of the U.K. prospectus will be available from Verizon’s registered offices and on Verizon’s website at www.verizon.com/investor.

FORWARD-LOOKING STATEMENTS

In this communication we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words “anticipates,” “believes,” “estimates,” “hopes” or similar expressions. 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, along with those discussed in our filings with the Securities and Exchange Commission (the “SEC”), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the ability to realize the expected benefits of our proposed transaction with Vodafone in the timeframe expected or at all; the ability to complete the Vodafone transaction in the timeframe expected or at all and the costs that could be required to do so; failure to obtain applicable regulatory or shareholder approvals in connection with the Vodafone transaction in a timely manner or at all; failure to satisfy other closing conditions to the Vodafone transaction or events giving rise to termination of the transaction agreement; 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; the ability of Verizon to complete the financing of the Vodafone transaction on satisfactory terms; significantly increased levels of indebtedness as a result of the Vodafone transaction; changes in tax laws or treaties, or in their interpretation; adverse conditions in the U.S. and international economies; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; material changes in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment 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 acts of war or significant litigation and any resulting financial impact not covered by insurance; the effects of competition in the markets in which we operate; changes in 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; 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.



“Safe Harbor” Statement and Legends

NO OFFER OR SOLICITATION

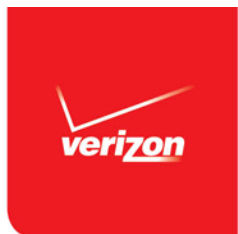
This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval nor shall there be any offer or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an exemption from the registration requirements thereof.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

Verizon Communications Inc. has filed with the SEC a registration statement on Form S-4 containing a preliminary prospectus with respect to the Verizon securities to be offered in the proposed transaction with Vodafone (the “preliminary prospectus”). Verizon has also filed with the SEC a preliminary proxy statement with respect to the special meeting of the Verizon shareholders to be held in connection with the proposed transaction (the “preliminary proxy statement”). The registration statement on Form S-4 has not yet been declared effective and the preliminary prospectus and the preliminary proxy statement are not yet final and will be further amended. **VODAFONE SHAREHOLDERS ARE URGED TO READ CAREFULLY THE PRELIMINARY PROSPECTUS AND VERIZON SHAREHOLDERS ARE URGED TO READ CAREFULLY THE PRELIMINARY PROXY STATEMENT, EACH TOGETHER WITH OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC, IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS.** Investors and shareholders can obtain free copies of the preliminary prospectus, the preliminary proxy statement and other documents filed with the SEC by the parties through the website maintained by the SEC at www.sec.gov. In addition, investors and shareholders will be able to obtain free copies of the prospectus, the proxy statement and other documents filed with the SEC by Verizon by contacting Verizon’s Assistant Corporate Secretary, Verizon Communications Inc., 140 West Street, 29th Floor, New York, New York 10007. These materials are also available on Verizon’s website at www.verizon.com/investor.

PARTICIPANTS IN THE SOLICITATION

Verizon, Vodafone and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the shareholders of Verizon in respect of the proposed transaction contemplated by the proxy statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the shareholders of Verizon in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the preliminary proxy statement filed by Verizon with the SEC. Information regarding Verizon’s directors and executive officers is contained in Verizon’s Annual Report on Form 10-K for the year ended December 31, 2012 and its Proxy Statement on Schedule 14A, dated March 18, 2013, which are filed with the SEC. Information regarding Vodafone’s directors and executive officers is contained in Vodafone’s Annual Report on Form 20-F for the year ended March 31, 2013, which is filed with the SEC.



CONSOLIDATED Earnings & Profitability Summary

	3Q '13		2013 YTD	
	EBITDA Margin	EPS	EBITDA Margin	EPS
Reported	37.3%	\$0.78	36.1%	\$2.24
Less:				
Pension remeasurement	—	—	0.2%	\$0.05
Net gain on sale of spectrum	1.0%	\$0.02	0.3%	\$0.02
Add:				
Net incremental interest expense	—	\$0.01	—	\$0.01
Adjusted	36.3%	\$0.77	35.6%	\$2.18

Note: Results above are adjusted for non-operational items. Amounts may not add due to rounding.

Strong margin and earnings per share



CONSOLIDATED **3Q '13 Overview**

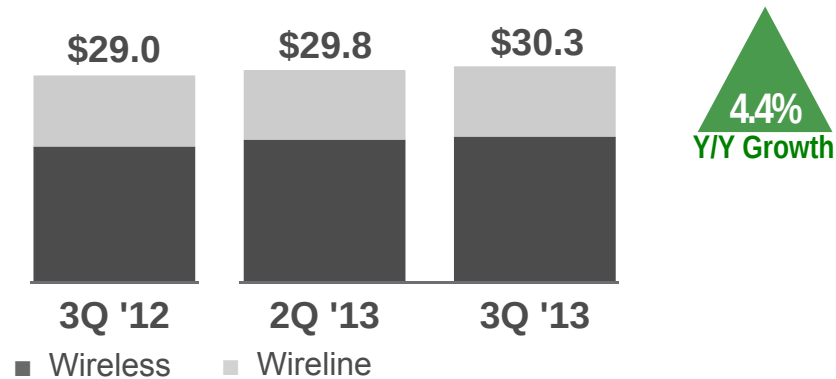
- Double-digit growth in operating income and earnings per share for past three quarters
- Consolidated revenue growth for third consecutive quarter
- Continued growth in high-quality wireless retail base, service revenue and profitability
- Growth in FiOS revenue and subscribers continues
- Consistent growth in enterprise strategic services
- Strong growth in operating cash flow

Consistent growth through execution



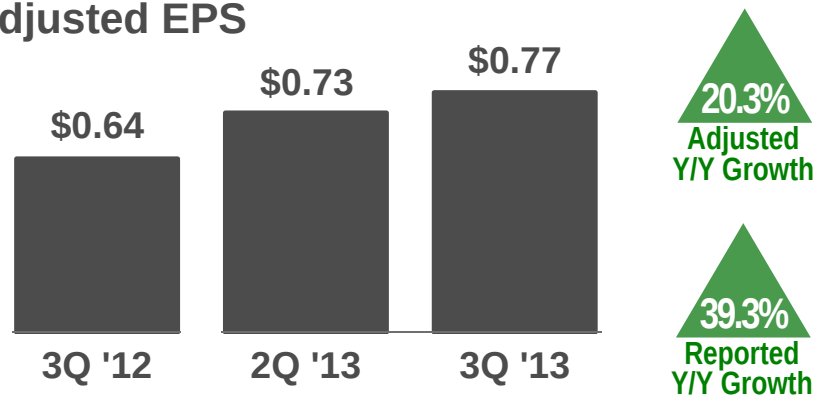
CONSOLIDATED 3Q '13 Financial Summary

Total Revenue (\$B)



- 84% of revenues are in strategic areas
- Continued revenue growth across all strategic areas Y/Y
- Strong cost management controls

Adjusted EPS



- Adjusted EBITDA margin of 36.3%, up 170 bps Y/Y
- Adjusted EPS of \$0.77, up 20.3% Y/Y; reported EPS of \$0.78

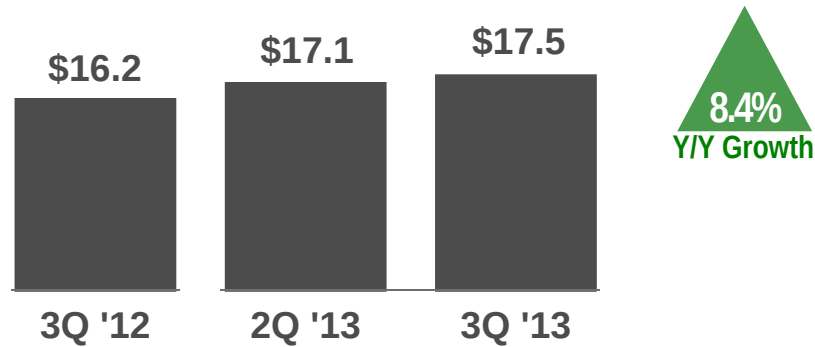
Note: With the exception of revenues, results above are adjusted for non-operational items.

Strategic investments drive strong results



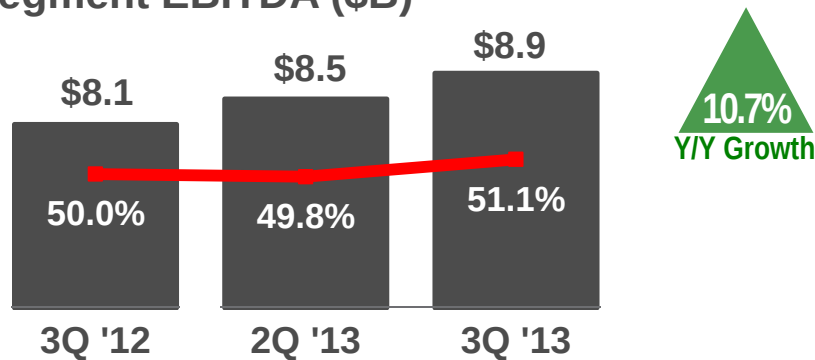
WIRELESS Revenue & Profitability

Service Revenue (\$B)



- Strong service revenue growth of 8.4% Y/Y
- 4th consecutive quarter of over 8% service revenue growth Y/Y
- Total revenue growth of 7.2% Y/Y
- EBITDA service margin of 51.1%

Segment EBITDA (\$B)



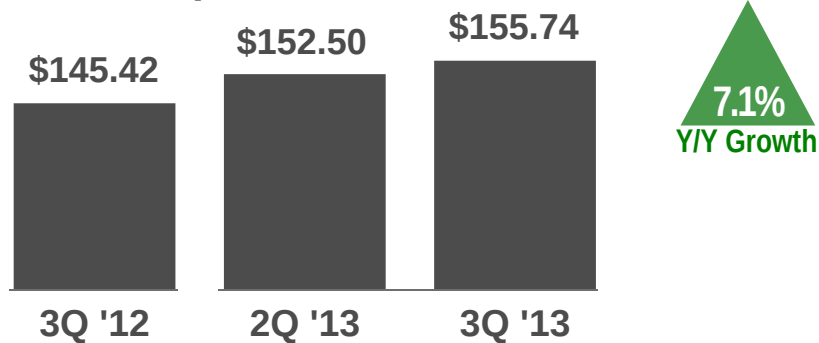
■ EBITDA Service Margin %

Balanced growth in revenue and profitability



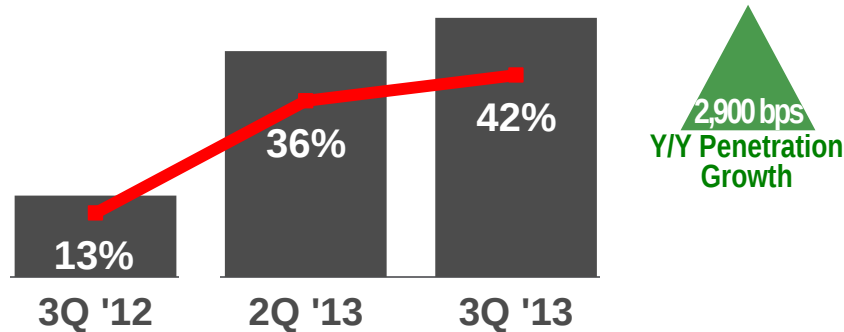
WIRELESS ARPA

Retail Postpaid ARPA



- Retail postpaid ARPA of \$155.74, up 7.1% Y/Y
 - 42% of postpaid accounts on Share Everything Plans
 - Smartphone penetration of 67%, up from 53% a year ago

Share Everything Accounts



■ Share Everything % of postpaid accounts

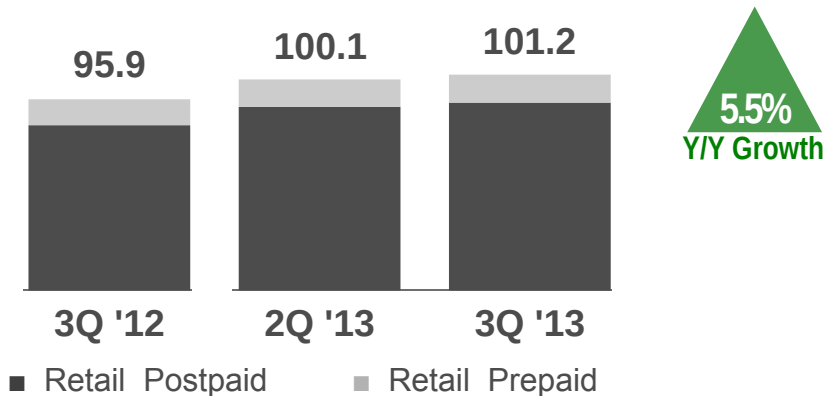
- 35.0M retail postpaid accounts
 - 2.72 connections per account

Share Everything Plans drive growth



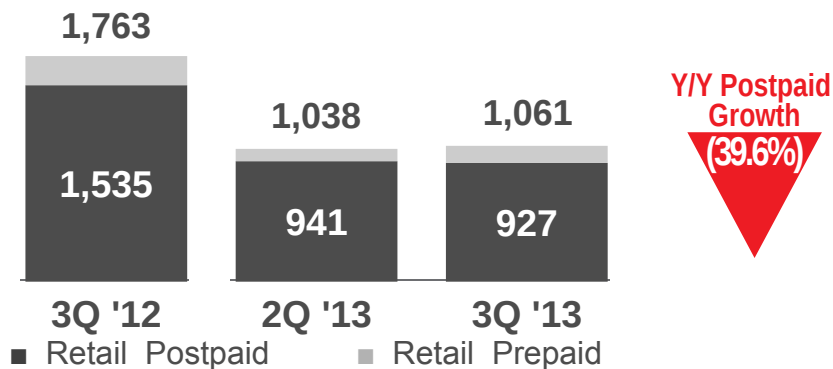
WIRELESS Connections / Net Adds / Churn

Retail Connections (M)



- Sequential growth in retail net adds*
- 927K retail postpaid net adds in 3Q '13 including 481K phones*
- 6.9% of retail postpaid base upgraded in 3Q '13
- 79% of tablet connections are postpaid; all tablet net adds are 4G LTE
- Retail postpaid churn of 0.97% in 3Q '13

Retail Net Adds* (000)



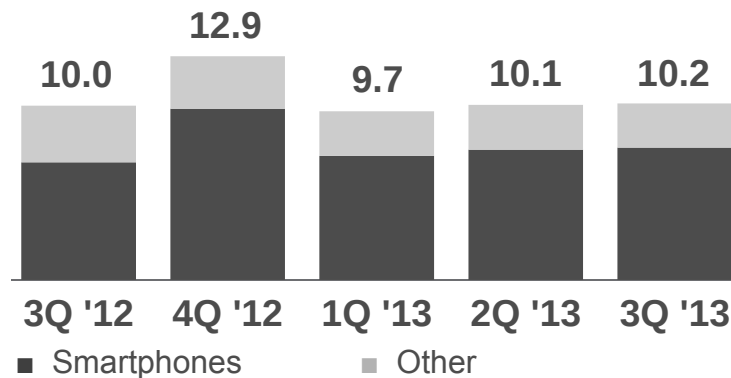
* Excludes acquisitions and adjustments

Postpaid base grows on quality net adds

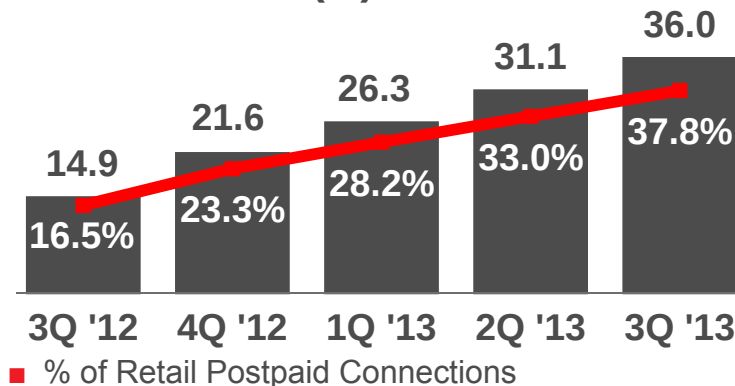


WIRELESS Devices / 4G LTE

Retail Postpaid Device Activations (M)



4G LTE Devices (M)



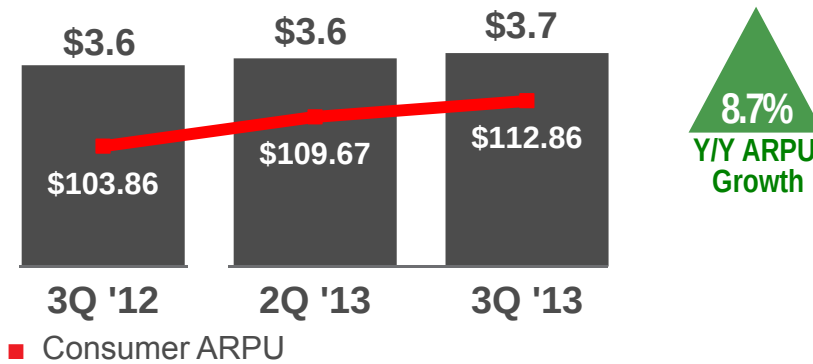
- 88% of device activations were phones
 - 7.6M smartphones activated in 3Q '13
 - About 29% of smartphone activations new to Verizon
- 6.8M 4G LTE device activations in 3Q '13
- Verizon Wireless 4G LTE network:
 - Largest and most reliable
 - 64% of total data traffic currently on 4G LTE network
- Industry leading in 4G LTE customer adoption

4G LTE leads Wireless growth



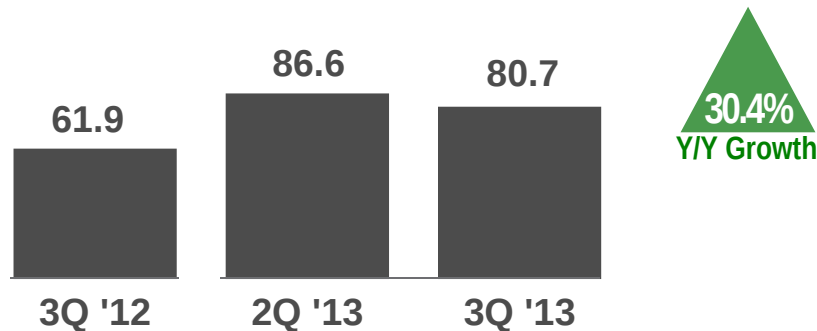
WIRELINE Mass Markets

Consumer Revenue (\$B)



- 4.3% consumer revenue growth Y/Y; 5th consecutive quarter of over 4% growth Y/Y
- FiOS now 72% of consumer revenue
 - 12% Y/Y growth in triple play customers

Copper Migrations (K)



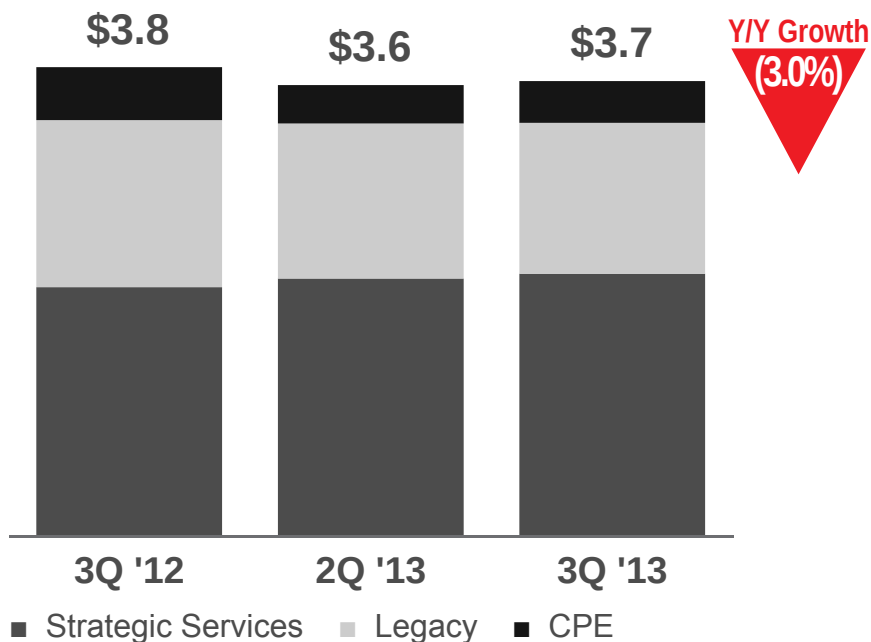
- FiOS Internet subscribers
 - 5.9M subscribers, 173K net adds
 - 39% penetration
- FiOS Video subscribers
 - 5.2M subscribers, 135K net adds
 - 35% penetration

FiOS driving consumer growth



WIRELINE Global Enterprise

Global Enterprise Revenue (\$B)



- Revenue profile improving
 - Strategic services now 58% of Global Enterprise revenue
 - Strategic services revenue growth of 5.2% Y/Y
- CPE revenue down 21.5% Y/Y
- Global Enterprise revenue down 1% Y/Y without impact of CPE

Strategic services growing



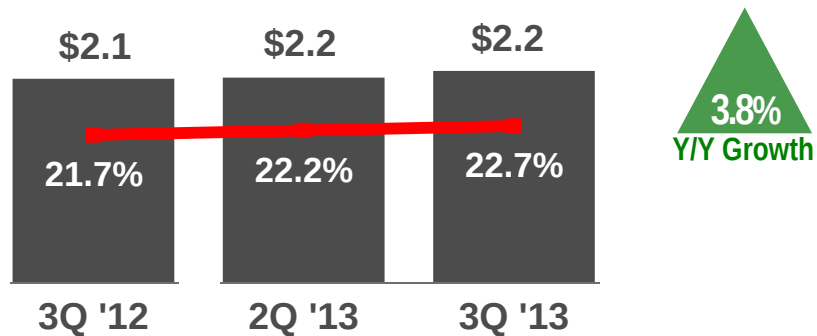
WIRELINE Revenue & Profitability

Total Revenue (\$B)



- Strategic revenue growth continues in 3Q '13
- FiOS revenue grew 13.4% Y/Y

Segment EBITDA (\$B)



■ EBITDA Margin %

- Enterprise strategic services revenue up 5.2% Y/Y
- Wireline EBITDA growth

Focus on improving long-term profitability



CONSOLIDATED Cash Flow

Cash Flow Summary (\$B)

	2012 YTD	2013 YTD
Cash flow from operations	\$24.8	\$28.4
Capital expenditures	\$11.3	\$11.8
Free cash flow	\$13.4	\$16.6
Total Debt	\$52.8	\$99.1
Net Debt to Adjusted EBITDA	1.1x	1.1x

- YTD cash flow of \$28.4B, up 14.7% Y/Y
- YTD Capex/Revenue of 13.2%
- YTD free cash flow of \$16.6B, up 23.3% Y/Y

Note: Amounts may not add due to rounding.

Free cash flow growth



3Q '13 SUMMARY



CONSOLIDATED **Strategic Focus**

- Grow strategic areas
- Transform service delivery and cost structure
- Drive profitability and cash flow growth
- Invest for future growth

Position for future growth



3rd QUARTER 2013 EARNINGS RESULTS

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