4th Quarter 2015
Earnings Results

Fran Shammo
Chief Financial Officer

January 21, 2016
“Safe Harbor” Statement

NOTE: In this presentation 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: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; 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; our high level of indebtedness; 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 further financing; 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; changes in tax laws or treaties, or in their interpretation; 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; 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/about/investors.
### Consolidated Earnings Summary

<table>
<thead>
<tr>
<th></th>
<th>4Q’15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reported</strong></td>
<td>$1.32</td>
<td>$4.37</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severance and pension remeasurement</td>
<td>$0.40</td>
<td>$0.34</td>
</tr>
<tr>
<td>Gain on sale of wireless licenses</td>
<td>$0.04</td>
<td>$0.04</td>
</tr>
<tr>
<td><strong>Adjusted</strong>*</td>
<td>$0.89</td>
<td>$3.99</td>
</tr>
<tr>
<td><strong>Adjusted growth rate Y/Y</strong>*</td>
<td>25.4%</td>
<td>19.1%</td>
</tr>
</tbody>
</table>

* Adjusted for non-operational items

Note: Amounts may not add due to rounding

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* Strong year of earnings performance*
Consolidated
2015 Overview

Strong growth in earnings and free cash flow

High-quality connections growth and profitability in Wireless Fios driving growth in Mass Markets

Positioned business for future growth

Returned value to shareholders
Total revenue growth excluding AOL and divested public sector business of 2.6% Y/Y in 2015.

2015 Adjusted EBITDA of $46.6B, up 7.7% Y/Y*.

2015 Adjusted EBITDA margin of 35.4%, up 130 bps Y/Y*.

* Adjusted for non-operational items
## Consolidated Cash Flow Summary

<table>
<thead>
<tr>
<th>($ in billions)</th>
<th>4Q’15</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td>$10.5</td>
<td>$38.9</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$5.2</td>
<td>$17.8</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>$5.3</td>
<td>$21.2</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>$2.2</td>
<td>$8.5</td>
</tr>
<tr>
<td>Total debt</td>
<td>$110.2</td>
<td>$110.2</td>
</tr>
<tr>
<td>Net debt to adjusted EBITDA</td>
<td>2.3x</td>
<td>2.3x</td>
</tr>
</tbody>
</table>

Note: Amounts may not add due to rounding

Strong cash generation enabled network investment and shareholder returns
Wireless
Revenue & Profitability

Service revenue plus installment billings up 1.4% Y/Y in 4Q ’15 and 2.0% in 2015

4Q ’15 phone activations on installment plans were 67%; 29% of postpaid phone base on installment

4Q ’15 EBITDA margin on total revenue of 38.4% up 580 bps Y/Y

Profitable growth driven by high-quality connections
Wireless
Connections / Net Adds / Churn

Retail postpaid connections growth of 4.4% Y/Y in 4Q ’15

1.5M retail postpaid net adds in 4Q ’15*

- 906K new 4G LTE smartphones
- 449K total phone net adds
- Retail postpaid churn of 0.96%

4G LTE devices up 25% Y/Y in 4Q ’15

* Excludes acquisitions and adjustments

Quality growth and excellent customer retention
Wireless Devices / 4G LTE

Smartphone penetration of 84%, up from 79% a year ago

Industry leading 4G LTE connections
- Added 4.4M 4G LTE devices in 4Q ’15
- About 93% of smartphones are 4G LTE

About 90% of total data traffic currently on 4G LTE network

4G usage growth continues

Retail Postpaid Device Activations (M)

4G LTE Devices (M)
Wireline

Mass Markets

Consumer revenue grew 3.5% Y/Y in 2015

Fios now 80% of consumer revenue
• Fios consumer revenue growth of 6.6% Y/Y in 4Q '15

Fios Internet subscribers
• 99K net adds
• 7.0M subscribers, 41.8% penetration

Fios Video subscribers
• 20K net adds
• 5.8M subscribers, 35.3% penetration

Fios continues to be the driver of consumer revenue growth
**Wireline**

**Revenue & Profitability**

Total Fios revenue grew 6.8% Y/Y in 4Q ’15

Global Enterprise revenue down 3.3% Y/Y in 4Q ’15

Global Wholesale revenue down 0.2% Y/Y in 4Q ’15

4Q ’15 EBITDA of $2.3B, up 0.4% Y/Y

4Q ’15 EBITDA margin of 24.2%

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**Stable revenue trends and margin expansion**
3-Tier Strategy

1. Identify high growth markets
2. Invest and execute
3. Achieve market leadership

1. Protect & Grow
2. Drive profitability
3. Create financial flexibility
2016 Priorities

Deliver strong operating and financial performance

Consistently invest in networks and platforms

Focus on new revenue streams

Generate strong cash flow

Return value to shareholders

Confident in ability to execute while building for the future
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